

28<sup>th</sup> June 2024

**BSE Limited**  
Listing Operations  
Phiroze Jeejeebhoy Towers,  
Dalai Street,  
Mumbai - 400 001  
Maharashtra, India  
**BSE Script Code: 532864**

**National Stock Exchange of India Limited**  
Listing Department,  
Exchange Plaza,  
Bandra Kurla Complex, Bandra (E),  
Mumbai - 400 051  
Maharashtra, India  
**NSE Script Code: NELCAST**

Dear Sir/Madam

**Sub: Submission of Annual Report for the FY 2023-24 under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015**

The Forty Second Annual General Meeting (42<sup>nd</sup> AGM) of the Company is scheduled to be held on Thursday, 25<sup>th</sup> July 2024 at 3.30 PM through Video Conference (VC) / Other Audio Visual Means (OAVM). In terms of regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) the copy of 42<sup>nd</sup> Annual Report along with the Notice of the 42<sup>nd</sup> AGM being sent to the shareholders of the Company, is enclosed herewith and the same is also available on the website of the Company [www.nelcast.com](http://www.nelcast.com).

We request you to take the above on record as compliance with relevant regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) and disseminate to the stakeholders.

Thanking you.

For **Nelcast Limited**

**(S.K. Sivakumar)**  
**Company Secretary**

**159, T T K ROAD, ALWARPET, CHENNAI - 600 018. INDIA**  
**Tel.:+91-44-2498 3111/2498 4111 Fax : 91-44-24982111**  
**e-mail:nelcast@nelcast.com; web: www.nelcast.com**  
**CIN : L27109AP1982PLC003518**

Regd. Off.: 34, Industrial Estate, Gudur - 524 101 (A.P.) Tel.: 251266 / 251766 Fax:08624-252066  
Ponneri works :Madhavaram Village, Amur P.O, Ponneri - 601 204 .T.N Tel.: 27974165/27973532, Fax: 27973620  
Pedapariya Works : 259 /261, Pedapariya Village, Ozili Madal, Nellore Dist - 524402. (A.P.)

IATF 16949 : 2016 \* ISO 14001 : 2015 \* ISO 50001 : 2011



ISO 9001 : 2015

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OHSAS 18001 : 2007

## NOTICE TO SHAREHOLDERS

Notice is hereby given that the **Forty Second** Annual General Meeting (AGM) of the Members of Nelcast Limited will be held on Thursday, the 25<sup>th</sup> July 2024 at 3.30 PM through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the standalone and consolidated audited financial statements of the Company for the financial year ended 31<sup>st</sup> March 2024, together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend for the financial year 2023-24.
3. To appoint a Director in the place of Ms. P. Divya (DIN: 05158352), who retires by rotation and being eligible offers herself for re-appointment.

### SPECIAL BUSINESS:

4. **Appointment of Mr. Vinod K Dasari as Non-Executive Independent Director of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160, 161 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Vinod K Dasari (DIN 00345657), who was appointed as an Additional Director in the capacity of Non-Executive Independent Director effective from 13<sup>th</sup> May 2024 and who holds office up to the date of this AGM in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation for a term of 5 (five) consecutive years with effect from 13<sup>th</sup> May 2024 to 12<sup>th</sup> May 2029”.

**5. Appointment of Mr. D. Sesha Reddy as Non-Executive Non-Independent Director of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and the other relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. D. Sesha Reddy (DIN 00520448), Independent Director of the Company, who holds office up to 5<sup>th</sup> August 2024, and being eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as Non-Executive Non-Independent Director of the Company, liable to retire by rotation and to hold office with effect from 6<sup>th</sup> August 2024”.

**6. Appointment of Mr. A. Balasubramanian as Non-Executive Non-Independent Director of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and the other relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. A. Balasubramanian (DIN 00490921), Independent Director of the Company, who holds office up to 5<sup>th</sup> August 2024, and being eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as Non-Executive Non-Independent Director of the Company, liable to retire by rotation and to hold office with effect from 6<sup>th</sup> August 2024”.

**7. To consider the ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March 2025**

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), payment of remuneration of ₹ 2,00,000/- (Rupees Two Lakhs Only) plus applicable taxes (apart from re-imburement of out-of-pocket expenses, if any) to M/s. Jayaram & Associates, Cost Auditors for conducting the cost audit of the Company for the financial year ending 31<sup>st</sup> March 2025, be and is hereby approved and ratified”.

Place: Chennai

Date : 13<sup>th</sup> May 2024

**Registered Office**

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

**By Order of the Board**

**S.K. Sivakumar**  
Chief Financial Officer &  
Company Secretary

## NOTES

1. In view of Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”), has vide their circulars dated, April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021 read with May 05, 2022, General Circular No. 11/2022 dated 28<sup>th</sup> December 2022 and subsequent circular issued in this regard, the latest General Circular No. 09/2023 dated 25<sup>th</sup> September 2023 (collectively referred to as “MCA Circulars”) permitted to hold 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. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) and the MCA Circulars, the Annual General Meeting (‘AGM’) of the Company is being held through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”).
2. Pursuant to the aforesaid Circulars, the facility to appoint proxy by Members under Section 105 of the Act to attend and cast vote for the Members is not available for this AGM as the physical attendance of Members has been dispensed with. However, Body Corporates are entitled to appoint authorized representatives as its Member to attend the AGM through VC/OAVM and participate there at and cast their votes through e-Voting.
3. Participation of members through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
4. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to the members on “first come first served” basis. This will not include large Shareholders (Shareholders holding 2% or more of the total number of shares of the Company as on the cut-off date as defined), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders’ Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of “first come first served” basis.
5. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting at the meeting will be provided by NSDL.
6. In line with MCA Circular No. 17/2020 dated 13<sup>th</sup> April 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.nelcast.com](http://www.nelcast.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing remote e-Voting facility) i.e., [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

7. AGM has been convened through VC/ OAVM in compliance with applicable provisions of the Act read with Circulars issued by MCA and SEBI in this regard.
8. The Explanatory Statement pursuant to Section 102 of the Act, relating to the Special Business to be transacted at the Meeting is annexed hereto.
9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and the relevant documents referred to in the Notice will be available, electronically, for inspection by the Members during the AGM. All documents referred to in the Notice will also be available from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to [nelcast@nelcast.com](mailto:nelcast@nelcast.com).
10. The Company has notified closure of Register of Members and Share Transfer Books from Friday, 19<sup>th</sup> July 2024 to Thursday, 25<sup>th</sup> July 2024 (both days inclusive).
11. The dividend of ₹ 0.40 per share has been recommended by the Board of Directors for the year ended 31<sup>st</sup> March 2024, which is subject to the approval of the shareholders at the ensuing Annual General Meeting.

The dividend will be paid within 30 days from the date of AGM, to the Members whose names appear on the Company's Register of Members as on the Record Date i.e., 18<sup>th</sup> July 2024 and in respect of the shares held in dematerialised mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

Payment of dividend shall be made through electronic mode to the Members who have updated their bank account details. Dividend warrants / demand drafts will be despatched to the registered address of the Members who have not updated their bank account details.

Members are requested to register / update their complete bank details with their Depository Participant(s) with which they maintain their demat accounts.

12. Tax Deductible at Source / Withholding tax on Dividend:

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Shareholders w.e.f. 1<sup>st</sup> April 2020. For the prescribed rates of various categories, the shareholders are requested to refer the Finance Act, 2020 and amendments thereof.

The Company is required to deduct tax at source from the dividend paid at the prescribed rates, if the dividend amount exceeds ₹ 5,000/- in a financial year. However, no tax shall be deducted on the dividend payable to a resident individual, in cases where the members provide Form 15G/ Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the Income Tax Act, 1961. Form 15G/ 15H can be downloaded from our RTA's website <https://bigshareonline.com> to avail the benefit and email the duly filled in forms to [tds@bigshareonline.com](mailto:tds@bigshareonline.com) by 11.59 PM IST on 18<sup>th</sup> July 2024.

For Non-Resident Shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable.



Non-resident shareholders can avail beneficial rates under the Tax Treaty between India and their country of residence, subject to providing necessary documents, i.e., no Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the Tax Treaty benefits, by sending an email to [tds@bigshareonline.com](mailto:tds@bigshareonline.com). The aforesaid declarations and documents should be submitted by the shareholders by 11:59 PM IST on 18<sup>th</sup> July 2024 and thereafter no communication would be accepted regarding the Tax Deducted at Source/ withholding tax matters.

Notes:

- (i) Shareholders will be able to download Form 26AS from the Income Tax Department's website [www.incometax.gov.in](http://www.incometax.gov.in).
  - (ii) The aforesaid documents such as Form 15G/ 15H, documents under sections 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be sent to [tds@bigshareonline.com](mailto:tds@bigshareonline.com) on or before 18<sup>th</sup> July 2024 to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination/ deduction received after 18<sup>th</sup> July 2024 shall not be considered. Formats of Form 15G / Form 15H are available on the RTA's website <https://bigshareonline.com>.
  - (iii) Application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members as on the Record Date, and other documents available with the Company/ RTA.
  - (iv) In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund.
  - (v) No TDS will be deducted in case of resident individual shareholders who furnish their PAN details and whose dividend does not exceed ₹ 5,000/-. However, where the PAN is not updated in the Company records or in case of an invalid PAN, the Company will deduct TDS u/s 194 without considering the exemption limit of ₹ 5,000/-.
13. Pursuant to the provisions of Section 124 read with Section 125 of the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force) the amount of dividend remaining unpaid for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF) constituted by the Central Government. Members who have not encashed their dividend are requested to contact the Company's Registrar and Share Transfer Agent for payment in respect of the unclaimed dividend. The amount so transferred cannot be claimed from the Company. Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act and the applicable rules.
  14. Pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules, 2016, the Company is providing/ hosting the required details of unclaimed amount/ shares referred to under Section 124 of the Act on its website and also on the website of the Ministry of Corporate Affairs (MCA) viz., [www.iepf.gov.in](http://www.iepf.gov.in).
  15. Pursuant to SEBI notification dated 8<sup>th</sup> June 2018, transfer of shares in physical mode is prohibited and mandates holding in demat except in case of transmission or transposition. Accordingly, Members are requested to convert the physical holding to demat through depository participant. Members may contact the Company for any assistance in the said process of physical to demat of shares.

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

M/s. Bigshare Services Pvt. Ltd.  
Office No. S6-2, 6th Floor, Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road,  
Andheri (East), Mumbai - 400093.  
Ph: 022-62638200 Fax: 022-62638299  
E-mail: investor@bigshareonline.com

17. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA.
18. Electronic copy of the Annual Report and the Notice of the AGM inter-alia indicating the process and manner of e-Voting are being sent to all the Members whose e-mail IDs are registered with the Company / DPs for communication purposes.
19. Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding / trading.
20. Members may also note that the Notice of the 42<sup>nd</sup> Annual General Meeting and the Annual Report for 2023-24 will also be available on the Company's website [www.nelcast.com](http://www.nelcast.com) for their download, the website of the Stock Exchanges viz., BSE Limited: [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited: [www.nseindia.com](http://www.nseindia.com). Other than the above, no physical/ hard copies of the Notice & Annual Report will be sent to shareholders.

21. **Re-Appointment of Directors:**

At the forthcoming Annual General Meeting, Ms. P. Divya, Director retires by rotation and being eligible offers herself for re-appointment, information or details pertaining to her appointment are furnished.

**Details of Director seeking Re-Appointment at the Annual General Meeting**

**(Pursuant to Regulation 36(3) of the SEBI**

**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

Ms. P. Divya aged about 41 years, graduated top of her class for post-graduate MS degree in Networked Information Systems from Stevens Institute of Technology, Hoboken, New Jersey, USA. She had completed a BE degree with Honors in Computer Engineering also from Stevens Institute of Technology, Hoboken, New Jersey, USA.

Her career began at Deutsche Bank in Wall Street, New York as an Analyst and she quickly rose through the ranks Managing various Projects Globally and ultimately specializing in Change Management & Governance.



During her career in the Company and its subsidiary, she was responsible for Information Technology, Organizational Development and Business Strategy and successfully led several key initiatives of the Company. She is also the co-founder of Avenues School.

**Details of other Directorships/Committee Memberships held by her:**

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

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

Ms. P. Divya is related to Mr. P. Deepak, Managing Director of the Company.

Please refer Report on Corporate Governance Report for number of meetings attended during the year by Ms. P. Divya.

22. Since the AGM will be held through VC/OAVM, the route map is not annexed in this notice.

**23. Voting through electronic means:**

- In compliance with provisions of Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the Listing Regulations, the Company is pleased to offer e-Voting facility to all the Shareholders of the Company. For this purpose, the Company has entered into an agreement with NSDL for facilitating e-Voting to enable the Shareholders to cast their votes electronically.
- The voting rights of the Members/ Beneficial Owners will be reckoned on the Equity Shares held by them as on Cut-off date. Members as on the Cut-off date only shall be entitled to avail the facility of remote e-Voting or voting at the meeting.
- Mr. P. R. Lakshmi Narayanan, Practising Company Secretary, Chennai has been appointed as the Scrutinizer for conducting the e-Voting Process in a fair and transparent manner.

**THE INSTRUCTIONS FOR REMOTE E-VOTING AND VOTING AT THE MEETING ARE AS UNDER**

1. The remote e-Voting period begins on Sunday, 21<sup>st</sup> July 2024 at 9:00 A.M. (IST) and ends on Wednesday, 24<sup>th</sup> July 2024 at 5:00 P.M. (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18<sup>th</sup> July 2024, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 18<sup>th</sup> July 2024.
2. The details of the process and manner for remote e-Voting are explained herein below:
  - Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>
  - Step 2: Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 is mentioned below:**

How to Log-in to NSDL e-Voting website?





The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated 9<sup>th</sup> December 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

| Type of shareholders  | Login Method  |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “Login” which is available under ‘<b>IDeAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider</b> i.e. <b>NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://evoting.nSDL.com/">https://evoting.nSDL.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 hold 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 <b>e-Voting service provider</b> i.e. <b>NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center; margin-top: 10px;"> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div> </div> |

|   |  |
|---|--|
| <p>Individual Shareholders holding securities in demat mode with CDSL</p>                                     | <ol style="list-style-type: none"> <li>Existing users who have opted for CDSL Easi / Easiest, they 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/myeasinew/home">https://web.cdslindia.com/myeasinew/home</a> login or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login to - My Easi under Quick Links.</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. Click on NSDL 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/myeasinew/Registration/EasiRegistration">https://web.cdslindia.com/myeasinew/Registration/EasiRegistration</a> or <a href="https://web.cdslindia.com/myeasinew/Registration/EasiestRegistration">https://web.cdslindia.com/myeasinew/Registration/EasiestRegistration</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 i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol> |
| <p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>   |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.**

| Login type  | Helpdesk details  |
|---|---|
| <p>Individual Shareholders holding securities in demat mode with NSDL</p> | <p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at toll free no.: 1800 1020 990 and 1800 224 430</p>                  |
| <p>Individual Shareholders holding securities in demat mode with CDSL</p> | <p>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</p> |

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/ OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.

4. Your User ID details are given below:

| <b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b> | <b>Your User ID is:</b>   |
|---|---|
| a) For Members who hold shares in demat account with NSDL.            | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.   |
| b) For Members who hold shares in demat account with CDSL.            | 16 Digit Beneficiary ID<br>Forexample if your Beneficiary ID is 12***** then your user ID is 12*****  |
| c) For Members holding shares in Physical Form.                       | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.,
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [scrutinizernelcast@gmail.com](mailto:scrutinizernelcast@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 224 430.

**Process for those shareholders whose e-mail IDs are not registered with the depositories for procuring user id and password and registration of e-mail IDs for e-Voting for the resolutions set out in this notice:**

**REGISTRATION OF E-MAIL ADDRESS BY SHAREHOLDERS WITH THE RTA & DETAILS FOR OBTAINING/ DOWNLOADING ELECTRONIC COPY OF ANNUAL REPORT AND AGM NOTICE**

In terms of the MCA and SEBI Circulars, the Company has sent the Annual Report, Notice of AGM and e-Voting instructions only in electronic form to the registered e-mail addresses of the Shareholders. Therefore, those Shareholders who have not yet registered their e-mail address are requested to get their e-mail address registered by following the procedure given below:

- (a) Those Shareholders who have registered/ not registered their e-mail address and mobile number including address and bank details may please contact and validate/ update their details with their Depository Participant in case of shares held in electronic form and with the Company’s Registrar and Transfer Agent, M/s. Bigshare Services Pvt. Ltd. in case the shares are held in physical form.
- (b) Shareholders who have not registered their e-mail address and in consequence thereof, the Annual Report, Notice of AGM and e-voting instructions could not be served, may temporarily provide their e-mail address and mobile number to the Company’s Registrar and Transfer Agent, M/s. Bigshare Services Pvt. Ltd. by writing to the e-mail id [investor@bigshareonline.com](mailto:investor@bigshareonline.com) for sending the softcopy of the Annual Report, Notice of AGM and e-voting instructions along with the User ID and password. In case of any queries, Shareholders may write to [investor@bigshareonline.com](mailto:investor@bigshareonline.com)



- (c) In case shares are held in physical mode please provide 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 nelcast@nelcast.com.
- (d) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID+CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investor@bigshareonline.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- (e) Shareholders may also visit the website of the Company www.nelcast.com for downloading the Annual Report and Notice of the AGM.
- (f) Alternatively, Shareholders may send an e-mail request at the e-mail id investor@bigshareonline.com along with scanned copy of the signed request letter providing the e-mail address, mobile number, self-attested PAN copy and Client Master copy, in case of electronic folio and copy of share certificate, in case of physical folio for sending electronically the Annual Report, Notice of AGM and the e-voting instructions.
- (g) Alternatively member may send an e-mail request to evoting@nsdl.com for obtaining User ID and Password by proving the details mentioned above.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM 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 system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name.

You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views/ ask questions during the meeting may register themselves as a speaker and send their request from their registered e-mail id mentioning their name, demat account number/ folio number, email id, mobile number to [nelcast@nelcast.com](mailto:nelcast@nelcast.com) from Thursday, 11<sup>th</sup> July 2024 (09.00 AM (IST)) to Saturday, 13<sup>th</sup> July 2024 (05.00 PM (IST)) only. The same will be replied by the Company suitably. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
6. Those members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.
7. Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number / folio number and mobile number, to reach the Company's e-mail address at [nelcast@nelcast.com](mailto:nelcast@nelcast.com) at least 48 hours in advance before the start of the meeting. Such questions by the Members may be taken up during the meeting and replied by the Company suitably.

**General Guidelines for shareholders:**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail [scrutinizernelcast@gmail.com](mailto:scrutinizernelcast@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.
4. In case of any queries, Members may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or can contact NSDL helpdesk by sending a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) or call Ms. Pallavi M. - Sr. Manager at 022 - 4886 7000.
5. The Scrutinizer shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such report shall then be sent to the Chairman or a person authorized in this regard, within 48 (forty eight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.
6. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.nelcast.com](http://www.nelcast.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.
7. Pursuant to the Circulars issued by MCA and SEBI, owing to the difficulties involved in dispatching of physical copies of the Notice of the AGM and the Annual Report for the year 2023-24, the said documents are being sent only by email to the Members.

Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the AGM and the Annual Report for the year 2023-24 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:

- a) For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAAR) supporting the registered address of the Member, by email to the Company's email address [nelcast@nelcast.com](mailto:nelcast@nelcast.com).
- b) For Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

**ANNEXURE TO THE NOTICE**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

The following statement sets out all material facts relating to special business mentioned in the accompanying notice dated 13<sup>th</sup> May 2024 and shall be taken as forming part of the notice.

**Item No. 4:**

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 13<sup>th</sup> May 2024 appointed Mr. Vinod K Dasari (DIN 00345657) as an Additional Director who shall hold office till the date of the ensuing Annual General Meeting pursuant to the provisions of Section 161 of the Act and rules made thereunder. Mr. Vinod K Dasari (DIN 00345657) is a Non-Executive Independent Director in terms of relevant provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations. Based on the recommendation of the Nomination and Remuneration committee, the Board has appointed him as a Non-Executive Independent Director for a term of 5 (five) consecutive years from 13<sup>th</sup> May 2024 to 12<sup>th</sup> May 2029, subject to the approval of the shareholders through a special resolution and accordingly, the Board recommends the resolution set out as Item No.4 of the notice, for the approval by the shareholders of the Company.

The Company has received a notice under Section 160 of the Companies Act, 2013 ("the Act") from a member proposing his candidature for the office of Independent Director of the Company. Mr. Vinod K Dasari is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. He has given his consent to act as a Director and a declaration to the effect that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Mr. Vinod K Dasari fulfils the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his appointment as a Non-Executive Independent Director of the Company and is independent of the management. In terms of Regulation 25(8) of the Listing Regulations, Mr. Vinod K Dasari has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Mr. Vinod K Dasari has also confirmed that he is not debarred from holding the office as a Director of the Company by virtue of any SEBI order or any such authority pursuant to circulars dated 20<sup>th</sup> June 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

Accordingly, it is proposed to appoint Mr. Vinod K Dasari as an Independent Director of the Company, who shall not be liable to retire by rotation.

In the opinion of the Board, Mr. Vinod K Dasari fulfils the conditions specified in the Act and the Listing Regulations for appointment as an Independent Director and that he is independent of the Management. He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings.

The Terms and conditions of his appointment as an Independent Director are open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

Based on the recommendations of the Nomination and Remuneration Committee, given his background, experience and expertise, the Board is of the opinion that Mr. Vinod K Dasari would be of immense benefit to the Company and it is, therefore, desirable to appoint him as an Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, Regulation 17 and Regulation 25(2)(A) of the Listing Regulations and other applicable provisions of the Act and Listing Regulations, the appointment of Mr. Vinod K Dasari as an Independent Director is now placed for the approval of the Members by a Special Resolution. The Board recommends the Special resolution, as set out at item No. 4 of accompanying Notice, for approval by the Members.

**Disclosure of information pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard - 2 issued by the Institute of Company Secretaries of India.**

Mr. Vinod K Dasari aged about 57 years, completed his MBA from Kellogg School of Management and a Masters in Engineering Management from McCormick School of Engineering, from Northwestern University. He earned a Bachelor's Degree in Engineering from University of Louisville. Mr. Vinod K Dasari commenced his career with the General Electric Company in 1986. After completing his MBA in 1992, he joined the Timken Company, USA in 1996. He moved to Timken's Indian operations as Director of Manufacturing and Technology. In 1998, he was appointed Managing Director of Timken India and in 2000, he moved back to US, with Timken, as President of the Global Railroad business. In 2002, wanting to move his family to India, he joined Cummins India Limited as President, and then became its Joint Managing Director. Mr. Vinod K Dasari joined Ashok Leyland in 2005 as Chief Operating Officer and was appointed as Whole Time Director in 2008 and as Managing Director in 2011. He joined Royal Enfield as its CEO in April 2019. In 2021, he decided to leave corporate life and pursue interests in other businesses.

He was President of the Society of Indian Automotive Manufacturers from 2015 to 2017, and President of Automotive Research Association of India, from 2013 - 2015. In September 2018, he was awarded an Honorary doctorate from NITTE, deemed university, for his contribution to the automotive industry.

Mr. Vinod K Dasari holds -Nil- shares in the Company. He is not related to any Director or Key Managerial Personnel of the Company.

**Details of other Directorships/Committee Memberships held by him:**

| Directorship                | Committee Membership                  |
|-----------------------------|---------------------------------------|
| Pidilite Industries Limited | Nomination and Remuneration Committee |
| Transrail Lighting Limited  | Nomination and Remuneration Committee |

None of the Directors and Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the above resolution, except, Mr. Vinod K Dasari (DIN 00345657).

**Item No. 5 & 6:**

Mr. D. Sesha Reddy (DIN 00520448) and Mr. A. Balasubramanian (DIN 00490921) were appointed as Independent Directors on the Board of the Company for a term of 5 years by the shareholders in their Annual General Meeting held on 6<sup>th</sup> August 2014. Further, based on the performance evaluation of the Independent Directors and on the recommendations of the Nomination and Remuneration Committee and Board, given their background, experience and contribution, the shareholders of the Company in their Annual General Meeting held on 1<sup>st</sup> August 2019 had re-appointed them as Independent Directors for the second term of 5 (five) years with effect from 6<sup>th</sup> August 2019 till 5<sup>th</sup> August 2024. Mr. D. Sesha Reddy and Mr. A. Balasubramanian have been part of the Board of Directors of the Company as Independent Directors since 2014.

Mr. D. Sesha Reddy and Mr. A. Balasubramanian, with five decades of distinguished corporate career, have diverse experience across various management roles and have gained expertise and recognition for their turnaround of multiple companies. Since their association with the company for more than fifteen years, the Company has benefited significantly from their expertise and experience across multiple disciplines from financial, legal and regulatory, risk management, corporate governance and human capital management. The Board of Directors of the Company firmly believes that both Mr. D. Sesha Reddy and Mr. A. Balasubramanian's directorships and mentoring of management will be of immense value given their knowledge of the Company and the future planned trajectory of the Company. It is therefore recommended to continue their association as Non-Executive Non Independent Directors of the Company in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company is managed and controlled by a Board comprising of an optimum blend of Executive, Non-Executive and Independent Directors. The Company has attracted and inducted Independent Directors who have a broad experience across financial, governance, international growth, expansion and technical expertise. It will continue to benefit from highly experienced and engaged Independent Directors, combined with their directorship and key role connecting the management and Board to deliver strong corporate governance.

The Company has received Notices in writing under Section 160 of the Act from members proposing their candidature of Mr. D. Sesha Reddy and Mr. A. Balasubramanian for their office of Directors. Further, the Company has also received consent from both Mr. D. Sesha Reddy and Mr. A. Balasubramanian for their appointment as Non-Executive Non-Independent Directors of the Company liable to retire by rotation.

Your board of directors considers that the continued association with Mr. D. Sesha Reddy and Mr. A. Balasubramanian will be beneficial to the Company's development based on sound principles of corporate governance. Accordingly, it is recommended to the members that Mr. D. Sesha Reddy and Mr. A. Balasubramanian be appointed as Non-Executive Non-Independent Directors, liable to retire by rotation by way of Special Resolutions as set out at Item No. 5 & 6 of the accompanying Notice of the 42<sup>nd</sup> AGM.

Mr. D. Sesha Reddy and Mr. A. Balasubramanian are not disqualified from being appointed them as Directors in terms of Section 164 of the Act, nor debarred from holding the office of Directors by any such authority and have given their consent for the said appointment.



The members' approval sought by way of Special Resolution will also be considered as approval in terms of Regulation 17(1A) of SEBI (LODR) Regulations, 2015, duly amended vide Notification No. SEBI/LAD-NRO/GN/2018/10 dated 9<sup>th</sup> May 2018 for the appointment of above Directors as they have crossed the age of 75 years.

In terms of the applicable provisions of the Act and under the Regulation 36 of SEBI Listing Regulations and Secretarial Standard on General Meetings (SS-2), a brief profile of above directors who are proposed to be appointed, nature of their expertise in specific functional areas, other directorships and committee memberships, shareholding and relationship with other directors in the Company are given below:

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

The board therefore recommends the Special Resolutions as set out at Item No. 5 & 6 of the Notice for approval by the shareholders of the Company.

**Memorandum of Interest:**

Except Mr. D. Sessa Reddy and Mr. A. Balasubramanian, directors, being appointees, none of the other directors or key managerial personnel of the Company or their relatives is concerned or interested, in their respective resolutions for appointment as set out in Item No. 5 & 6 of this notice.

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

**1. Mr. D. Sessa Reddy (DIN 00520448)**

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

Mr. D. Sessa Reddy aged about 83 years holds a Bachelor degree in Arts. He is one of the leading industrialists in Nellore, Andhra Pradesh. He has about 55 years of industrial experience across multiple disciplines including financial, corporate governance and management. He is providing valuable guidance to the Company in key strategic matters.

**Details of other Directorships/Committee Memberships held by him:**

| <b>Directorship</b>               | <b>Committee Membership</b>  |
|-----------------------------------|--|
| Dodla Dairy Limited               | Nomination, Remuneration & Compensation Committee<br>Corporate Social Responsibility Committee |
| Dodla Enterprises Private Limited | Nil  |
| Reddy Builders Private Limited    | Nil  |

**2. Mr. A. Balasubramanian (DIN 00490921)**

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

Mr. A. Balasubramanian, aged about 75 years, holds a Bachelor degree in Science and is a Chartered Accountant. He has about 45 years of experience in the areas of Banking, Finance and Management. He worked in Punjab National Bank for about 30 years at various capacities and retired as Chief General Manager. Earlier to that he worked in Tata Group of Companies for about 4 years.

**Details of other Directorships/Committee Memberships held by him:**

| Directorship                             | Committee Membership  |
|--|---|
| Butterfly Gandhimathi Appliances Limited | Audit Committee<br>Nomination & Remuneration Committee<br>Risk Management Committee |
| NC Energy Limited                        | Audit Committee<br>Nomination & Remuneration Committee                              |

**Item No. 7:**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors amounting to ₹ 2,00,000/- (Rupees Two Lakhs only) per annum plus applicable taxes (apart from reimbursement of out-of-pocket expenses, if any), to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March 2025.

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

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

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

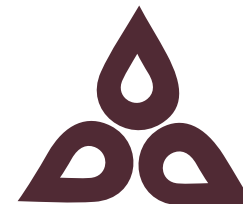
Place: Chennai  
Date : 13<sup>th</sup> May 2024

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

**By Order of the Board**

**S.K. Sivakumar**  
Chief Financial Officer &  
Company Secretary

# NELCAST LIMITED



## Performance Statistics

| Particulars/Years                    | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24       |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------------|
| Production Quantity (MTs)            | 71875   | 73592   | 73088   | 86098   | 92533   | 52175   | 55706   | 74881   | 84238   | <b>85366</b>  |
| Revenue from Operations (₹ in Lakhs) | 54496   | 56107   | 57595   | 76170   | 86023   | 57085   | 61497   | 92734   | 126397  | <b>126694</b> |
| EBIDTA (₹ in Lakhs)                  | 4688    | 6601    | 6858    | 7588    | 8182    | 6186    | 5127    | 6749    | 9551    | <b>10654</b>  |
| Profit After Tax (₹ in Lakhs)        | 2194    | 3187    | 3398    | 3826    | 3844    | 3601    | 904     | 1422    | 2974    | <b>5441</b>   |
| Equity Share Capital (₹ in Lakhs)    | 1740    | 1740    | 1740    | 1740    | 1740    | 1740    | 1740    | 1740    | 1740    | <b>1740</b>   |
| Net Worth (₹ in Lakhs)               | 28160   | 30509   | 32965   | 36745   | 39515   | 42018   | 43009   | 44168   | 46840   | <b>51919</b>  |
| Net Fixed Assets (₹ in Lakhs)        | 23207   | 24776   | 24469   | 23755   | 29148   | 27700   | 42793   | 44060   | 43212   | <b>41932</b>  |
| Earnings Per Share of ₹ 2/-          | 2.52    | 3.66    | 3.91    | 4.40    | 4.42    | 4.14    | 1.04    | 1.64    | 3.42    | <b>6.25</b>   |
| Cash Earnings Per Share of ₹ 2/-     | 3.98    | 5.14    | 5.45    | 6.23    | 6.43    | 6.27    | 3.54    | 4.23    | 6.18    | <b>9.03</b>   |
| Book Value Per Share of ₹ 2/-        | 32.37   | 35.07   | 37.89   | 42.24   | 45.42   | 48.30   | 49.43   | 50.77   | 53.84   | <b>59.68</b>  |
| RONW IN %                            | 7.79    | 10.45   | 10.31   | 10.41   | 9.73    | 8.57    | 2.10    | 3.22    | 6.35    | <b>10.48</b>  |
| Equity Dividend                      | 35%     | 40%     | 45%     | 50%     | 50%     | -       | 10%     | 15%     | 20%     | <b>20%</b>    |

Figures from FY 2016-17 are as per Indian Accounting Standards (Ind AS) prescribed under the Companies Act, 2013. Hence, the figures are not comparable with those of the previous years' figures.

# Annual Report 2023 - 24



## BOARD OF DIRECTORS

**Mr. D. Sesha Reddy**  
Chairman

**Mr. P. Deepak**  
Managing Director

**Mr. A. Balasubramanian**  
Director

**Ms. Maheswari Mohan**  
Director

**Mr. R. Sridharan**  
Director

**Mr. Vinod K Dasari**  
Director

**Ms. P. Divya**  
Director

## CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

**Mr. S.K. Sivakumar**

## REGISTERED OFFICE

34, Industrial Estate, Gudur - 524 101  
Ph : 08624-251266/766, Fax: 08624-252066  
CIN: L27109AP1982PLC003518

## CORPORATE OFFICE

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

## PLANTS

### 1. Gudur Unit:

34, Industrial Estate, Gudur - 524 101  
Ph : 08624-251266/766,  
Fax: 08624-252066

### 2. Ponneri Unit:

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

### 3. Pedapariya Unit:

259 to 261, Pedapariya Village,  
Ozili Mandal, Andhra Pradesh - 524 402

## STATUTORY AUDITORS

M/s. K. Nagaraju & Associates  
Chartered Accountants  
59, Madhura Nagar, Ameerpet,  
Hyderabad - 500 038

## SECRETARIAL AUDITORS

M/s. L.D. Reddy & Co.,  
Company Secretaries  
Plot No. 6-2-1/2, Flat No. 504,  
Afzal Commercial Complex,  
Lakdi-Ka-Pool,  
Hyderabad - 500 004

## BANKERS

State Bank of India  
Standard Chartered Bank  
HSBC Ltd.  
Kotak Mahindra Bank Ltd.  
HDFC Bank Ltd.

## REGISTRAR AND SHARE TRANSFER AGENT

M/s. Bigshare Services Pvt. Ltd.  
Office No. S6-2, 6th Floor,  
Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road,  
Andheri (East), Mumbai - 400093.  
Ph: 022-62638200 Fax: 022-62638299  
E-mail: investor@bigshareonline.com  
Website: www.bigshareonline.com

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## MD's Message

Dear Shareholders,

The global economy has shown impressive resilience, maintaining a steady trajectory of growth despite various challenges. The International Monetary Fund (IMF) projects an encouraging global growth rate of 3.2% by 2025, alongside a forecasted decline in inflation. Developed countries are at the forefront of achieving their inflation targets, setting a positive example for emerging markets.

In India, the economy has seen significant expansion in FY24. The Union Budget's substantial increase in capital expenditure is poised to drive further progress in infrastructure development. The economic fundamentals of our nation remain robust and reliable.



Reflecting on FY24, our journey has been marked by overcoming obstacles and celebrating achievements. The latter part of the year brought about a slowdown in demand, influenced by the general elections, which particularly affected our Medium & Heavy Commercial Vehicles (M&HCV) segment and the subdued tractor market.

Despite challenges, I am pleased to report that our export division has shown remarkable strength. We have achieved an impressive 35% growth in exports year-on-year, culminating in a notable ₹ 445 crores in export revenue. This success is part of an ongoing narrative of strong growth, underscored by a seven-year compound annual growth rate (CAGR) of approximately 40% since FY18. Moreover, our EBITDA per kg has increased by 10% year-on-year to ₹ 12.48 in FY24, up from ₹ 11.34 in FY23, reflecting our improved operational efficiency. In our commitment to sustainability and cost efficiency, our Pedapariaya Plant in Andhra Pradesh has adopted renewable energy by commissioning a 1 MW solar power facility, significantly reducing our carbon emissions. Looking ahead, we expect robust growth in the M&HCV segment, driven by increased infrastructure investment and a corresponding rise in demand for tippers, which are integral to our revenue and have substantial casting requirements. We are confident that our M&HCV segment will maintain its upward momentum in the coming year.





### MD's Message - (Contd.)

As we move forward, we are optimistic about the export market's prospects, with anticipated growth driven by higher volumes and the introduction of new products. In the domestic market, we foresee a resurgence in the Commercial Vehicle industry in the second half of FY25. Supported by strong export growth, a dedicated team, and continuous operational enhancements, we are well-prepared to deliver a good performance in the next fiscal year. Our strategic initiatives and resilient business model enable us to navigate market fluctuations and seize growth opportunities.

Our company is dedicated to enhancing its environmental and social contributions. We currently use substantial portion of our power requirements through renewable sources. We also actively participate in community support initiatives, including healthcare and education. I wish to express my deep appreciation to our employees, whose diligence and dedication are the cornerstone of our success, and to all our stakeholders for their steadfast support in our journey.

With warm regards,

**P. Deepak**  
**CEO & Managing Director**

## BOARD'S REPORT

Your Directors are pleased to present the Forty Second Annual Report along with the audited financial statements for the financial year ended 31<sup>st</sup> March 2024:

| <b>PERFORMANCE<br/>FINANCIAL RESULTS</b>                          | <b>2023-24</b>   | <b>(₹ in Lakhs)<br/>2022-23</b> |
|---|------------------|---------------------------------|
| <b>Total Income</b>   | <b>128121.60</b> | <b>128011.84</b>                |
| <b>PBIDT</b>  | <b>10653.90</b>  | <b>9550.71</b>                  |
| <b>Profit Before Tax (PBT)</b>                                    | <b>6861.63</b>   | <b>4031.70</b>                  |
| Less: Provision for Tax   | 1420.51          | 1058.16                         |
| <b>Profit After Tax (PAT)</b>                                     | <b>5441.12</b>   | <b>2973.54</b>                  |
| Add: Profit brought forwarded from previous year                  | 13825.91         | 11153.72                        |
| Other Comprehensive Income  | (14.09)          | (40.35)                         |
| <b>Total Comprehensive Income<br/>available for Appropriation</b> | <b>19252.94</b>  | <b>14086.91</b>                 |
| <b>Appropriations:</b>  |                  |                                 |
| General Reserve   | -                | -                               |
| Dividend on Equity Shares   | (348.01)         | (261.00)                        |
| <b>Surplus Carried to Balance Sheet</b>                           | <b>18904.93</b>  | <b>13825.91</b>                 |

### **DIVIDEND**

Your Directors recommend a dividend of 20% (₹ 0.40/- per share) for the financial year 2023-24. Payment of dividend is subject to the approval of shareholders at the ensuing Annual General Meeting. The dividend distribution policy framed by the Company in accordance with the Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) and approved by the Board of Directors is available on the Company's website and is accessible at <https://nelcast.com/policies>.

### **TRANSFER TO RESERVES**

No transfer to the General Reserves has been proposed for the financial year 2023-24.

### **SHARE CAPITAL**

The paid up equity share capital as on 31<sup>st</sup> March 2024 was ₹ 1740.02 Lakhs.

### **OPERATIONS**

During the year, the Company recorded Revenue from Operations of ₹ 1266.94 Crores as against ₹ 1263.97 Crores in 2022-23, a marginal increase compared to previous year. Our Exports business registered a growth of 35% compared with previous year and stood at ₹ 445.27 Crores. Profit After Tax made during the year including exceptional item is ₹ 54.41 Crores as against ₹ 29.73 Crores in 2022-23, an increase of about 83%. The production during the year was 85,366 MT, compared to the previous year's 84,238 MT. During the year the sales were affected due to slow down in the tractor sector and profitability improved due to better realization and increased exports.

## BOARD'S REPORT - (Contd.)

### EXCEPTIONAL ITEMS

During the year the Company has made a profit of ₹ 17.80 Crores on account of sale of surplus land available with the Company. This amount has been grouped under exceptional items.

### MATERIAL CHANGES & EVENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and events affecting the financial position of the Company occurred between the end of the financial year and the date of this report.

### OUTLOOK

Amidst a strong economic expansion of 7.6% underpinned by the Indian government's supportive policies, the Indian automobile industry has exhibited a commendable performance, with the domestic market registering a 12.5% increase over the last fiscal year. As per the Society of Indian Automobile Manufacturers (SIAM), there was a slight upturn in overall Commercial Vehicles sales, which rose marginally from 962,468 units in FY2022-23 to 967,878 units in FY2023-24. The segment for Medium and Heavy Commercial Vehicles saw a moderate year-over-year growth of approximately 4%, with sales ascending from 359,003 units in FY2022-23 to 373,194 units in FY2023-24. Conversely, Light Commercial Vehicles observed a small dip in sales, going from 603,465 units in FY2022-23 to 594,684 units in FY2023-24. The Commercial Vehicle sector experienced minimal growth, with certain setbacks in LCVs and SCVs primarily attributed to a downturn in the CNG category. A shift towards trucks with greater tonnage, which offer increased payload capacity, also influenced the growth figures as this trend is not directly captured by unit sales numbers.

As the industry looks forward to the 2025 fiscal year, prospects for advancement appear promising, especially with the anticipation of new launches, notably in the Electric Vehicle (EV) market. The sector maintains a positive outlook, buoyed by the country's economic trajectory, proactive government initiatives, and the expectations of a beneficial monsoon season that could further stimulate demand. Nonetheless, the industry recognizes that it faces hurdles, including intensifying competition and the persistent necessity for strategic market engagement, both of which demand vigilant management.

The Indian tractor industry declined by about 7% in quantity terms in FY2023-24, after registering the highest ever annual production and domestic sales in the previous year. Total volume stood at 874,504 compared with 940,985 units. The decline in domestic sales can be majorly attributed to high base effect of the previous fiscal. The Tractor industry expects a moderate growth in the coming years on the back of augmented financial support to farmers through loans and subsidies, growth in agricultural productivity, tremendous potential to grow in the export market, government initiatives regarding rural development and farm mechanization along with various other factors, such as high rural wages and scarcity of farm labour, are likely to increase the tractor volume over the long term. The headroom for growth is immense and given that agriculture has huge weight in the overall economy.

## **BOARD'S REPORT - (Contd.)**

### **CONSOLIDATED FINANCIAL STATEMENTS**

The Company has prepared Consolidated Financial Statements of Nelcast Limited and its subsidiary NC Energy Limited as at 31<sup>st</sup> March 2024, in accordance with the provisions of Section 129(3) of the Companies Act, 2013 and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and prepared in accordance with the Indian Accounting Standards prescribed by the Institute of Chartered Accountants of India. As required by the Listing Regulations, the audited Consolidated Financial Statements are circulated with the Annual Report.

### **SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

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

### **QUALITY AND CUSTOMER SATISFACTION**

The Company adheres to IATF 16949 quality standards and continuously strives to achieve world class quality by strictly adhering to the quality norms. The Company has also been awarded ISO 14001 & ISO 45001 certifications for implementing Health, Safety & Environmental Management Systems.

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

### **DEPOSITS**

The Company has not accepted any public deposits during the year and as such, no amount on account of principal or interest on deposits from public was outstanding as at 31<sup>st</sup> March 2024.

## BOARD'S REPORT - (Contd.)

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### Composition

The Corporate Governance Report annexed to this Board's Report contains the composition of the Board of Directors of the Company.

Mr. Vinod K Dasari (DIN: 00345657) was appointed as an Additional (Non-Executive Independent) Director of the Company with effect from 13<sup>th</sup> May 2024. On recommendation of the Nomination and Remuneration Committee, the Board of Directors have proposed the appointment of Mr. Vinod K Dasari as a Non-Executive Independent Director, not liable to retire by rotation, for a period of five (5) years from 13<sup>th</sup> May 2024 to 12<sup>th</sup> May 2029. In the opinion of the Board, Mr. Vinod K Dasari fulfils the conditions specified in the Companies Act, 2013, and Rules made thereunder for appointment as an Independent Director and possesses integrity, necessary expertise, relevant experience and proficiency and is independent of the management of the Company. The resolution seeking shareholder's approval for his appointment forms part of the Notice.

Mr. A. Balasubramanian (DIN: 00490921) and Mr. D. Sesha Reddy (DIN: 00520448) were appointed as Independent Directors on the Board of the Company for the second term of 5 years with effect from 6<sup>th</sup> August 2019 to 5<sup>th</sup> August 2024 by the shareholders in the Annual General Meeting held on 1<sup>st</sup> August 2019. Their term of office expires on 5<sup>th</sup> August 2024. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed them as Non-Executive Non-Independent Directors of the Company, liable to retire by rotation, with effect from 6<sup>th</sup> August 2024 subject to approval of the shareholders in the forthcoming Annual General Meeting. The resolution seeking shareholder's approval for their appointment forms part of the Notice.

Ms. P. Divya, Director (DIN: 05158352) is due to retire by rotation and being eligible offers herself for reappointment.

Mr. P. Deepak, Managing Director & CEO and Mr. S.K. Sivakumar, Chief Financial Officer & Company Secretary hold the office of Key Managerial Personnel.

#### Independent Directors

The Independent Directors have fulfilled the criteria of Independence as defined under Section 149(6) and requisite declarations in terms of Section 149(7) of the Companies Act, 2013 have been received. During the year under review a separate meeting of independent directors was held on 29<sup>th</sup> January 2024.

### COMMITTEES OF THE BOARD

In compliance with the provisions of Sections 135, 177, 178 of the Act and Listing Regulations, the Board has constituted Corporate Social Responsibility Committee, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee. The details of the composition of all the committees are furnished in the Corporate Governance Report which is attached to this report.

## **BOARD'S REPORT - (Contd.)**

### **MEETINGS OF THE BOARD AND COMMITTEES**

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

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

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

### **DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 the Board of Directors, to the best of their knowledge confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March 2024 and of the profit of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

### **CORPORATE GOVERNANCE**

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

## BOARD'S REPORT - (Contd.)

### **CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE**

L. Dhanamjaya Reddy, Practicing Company Secretary, has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this section as Annexure-B.

### **BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)**

Pursuant to Regulation 34(2)(f) of the Listing Regulations and SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, the initiatives taken by the Company from an environmental, social and governance perspective for the financial year 2023-24 has been given in the Business Responsibility and Sustainability Report (BRSR) as per the format specified by SEBI Circular is given as Annexure-C to this Report and is also available on the Company's website and is accessible at <https://nelcast.com/sustainability>.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All contracts/arrangements/transactions entered by the Company during the financial year 2023-24 with related parties were in the ordinary course of the business and at Arm's Length basis. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large. The details of the transactions with related parties are given in the financial statements. The Related Party Transaction Policy is available on the Company's website and is accessible at <https://nelcast.com/policies>.

### **VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Company has adopted a Whistle Blower Policy in line with the provisions of Section 177(9) and 177(10) of the Act and Regulation 22 of the Listing Regulations, to provide a formal mechanism to the Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is available on the Company's website and is accessible at <https://nelcast.com/policies>.

### **DIVIDEND DISTRIBUTION POLICY**

The Company has formulated the policy on dividend distribution with a view to specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings be utilised etc. The dividend distribution policy framed by the Company in accordance with the Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and approved by the Board of Directors is available on the Company's website and is accessible at <https://nelcast.com/policies>.



## **BOARD'S REPORT - (Contd.)**

### **REMUNERATION POLICY OF THE COMPANY**

The Company has adopted a Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to Section 178(3) of the Companies Act, 2013 and as per the Listing Regulations. The Company affirms remuneration is as per the remuneration policy of the Company. The said policy is available on the Company's website and is accessible at <https://nelcast.com/policies>.

### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in "Annexure-D" to this Report.

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company forms part of this report.

However, in terms of Section 136(1) of the Companies Act, 2013, the Annual Report and financial statements are being sent to the members and others entitled thereto, excluding the aforesaid information. The said information is available for inspection by the members at the Registered office of the Company during business hours on working days of the Company up to the date of ensuing Annual General Meeting and any member interested in obtaining such information may write to the company secretary and the same will be furnished.

### **INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY**

In terms of Section 134(5)(e) of the Act, the term Internal Financial Control means the policies and procedures adopted by a company for ensuring orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information. The Internal Audit is in place in the Company and the Internal Auditors are conducting the Internal Audit periodically and the same is reviewed by the Audit Committee. The Company has in place adequate internal financial controls.

### **STATUTORY AUDITORS**

At the Annual General Meeting of the Company held on 3<sup>rd</sup> August 2022, M/s. K. Nagaraju & Associates, Chartered Accountants (Firm Registration No.002270S) were appointed as Statutory Auditors of the Company for a period of 5 (five) years from the conclusion of 40<sup>th</sup> Annual General Meeting till the conclusion of the 45<sup>th</sup> Annual General Meeting. They have confirmed that their appointment is in accordance with Section 139 read with Section 141 of the Companies Act, 2013.

The Reports given by M/s. K. Nagaraju & Associates, Chartered Accountants on the Financial Statements of the Company for the financial year 2023-24 do not contain any qualifications, reservations or adverse remarks and forms part of the Annual Report.

No frauds have been reported by the Statutory Auditors during the financial year 2023-24 pursuant to the provisions of Section 143(12) of the Act.

## BOARD'S REPORT - (Contd.)

### SECRETARIAL AUDITORS

Pursuant to the Section 204 of the Companies Act, 2013 read Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014, the Board of Directors had appointed M/s. L.D. Reddy & Co., Practicing Company Secretaries as Secretarial Auditors of the Company to conduct the Secretarial Audit for the financial year 2023-24. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2024 in Form No. MR-3 is annexed with this report in Annexure-E. The Secretarial Audit report does not contain any qualification, reservation, adverse remark, or any disclaimer.

Pursuant to Regulation 24(A) of SEBI Listing Regulations, the Company has obtained Annual Secretarial Compliance Report from M/s. L.D. Reddy & Co., Practicing Company Secretaries and the same has been submitted to the stock exchanges within the prescribed time.

### COST AUDITORS AND COST RECORDS

Pursuant to the provisions of Section 148(3) of the Act, the Board of Directors had appointed M/s. Jayaram & Associates, Cost Accountants as Cost Auditors of the Company, for conducting the audit of cost records under Companies (Cost Records and Audit) Rules, 2014 for the financial year ended 31<sup>st</sup> March 2024. The audit is in progress and the report will be filed with the Ministry of Corporate Affairs within the prescribed period.

On recommendation of the Audit Committee, the Board at its meeting held on 13<sup>th</sup> May 2024, has appointed M/s. Jayaram & Associates (Firm Registration No. 101077), Cost Accountants as Cost Auditors to audit the cost accounts of the Company for the financial year 2024-25. The Company has also received the necessary certificate under Section 141 of the Act, 2013 from them conveying their eligibility to act as a cost auditor. A sum of ₹ 2 lakhs plus applicable taxes have been fixed by the board as remuneration in addition to reimbursement of all applicable taxes, travelling and out-of-pocket expenses payable to them, which is required to be approved and ratified by the members, at the ensuing AGM as per Section 148(3) of the Act, 2013.

The cost records as specified by the Central Government under subsection (1) of Section 148 of the Act, as required is maintained by the Company.

### SECRETARIAL STANDARDS

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

### INVESTOR EDUCATION AND PROTECTION FUND

The details regarding shares and dividend transferred / proposed to be transferred to the Investor Education and Protection Fund (IEPF) and other relevant details in this regard, have been provided in the Corporate Governance section of this Annual Report.

### ANNUAL RETURN

Pursuant to Section 92(3) and 134(3)(a) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 (as amended) the Annual Return of the Company is available on the Company's website and is accessible at <https://nelcast.com/extract-of-annual-return>.

## **BOARD'S REPORT - (Contd.)**

### **INDUSTRIAL RELATIONS**

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

### **RISK MANAGEMENT POLICY**

The Company has constituted a Risk Management Committee. Details of constitution of the Committee are set out in the Corporate Governance Report. Pursuant to Section 134(3)(n) of the Companies Act, 2013 and Regulation 17(9) of SEBI (LODR) Regulations, 2015, the Company has implemented a mechanism for risk management and has formulated a Risk Management Policy. The company has devised its risk management policy commensurate with its size and operations. The Policy provides for identification of risks and mitigation measures. The Risk Management Policy includes identifying types of risks and its assessment, risk handling, monitoring, and reporting. Your Company maintains an adequate and effective Internal Control System commensurate with its size. The internal control system is supplemented through an extensive internal audit program besides periodic review by the Management and the Audit Committee. Risk Management policy is available on the Company's website and is accessible at <https://nelcast.com/policies>.

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

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

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

In accordance with the requirements of Section 135 of the Act, the Company has constituted a Corporate Social Responsibility (CSR) Committee and also formulated a Corporate Social Responsibility Policy. The CSR Policy of the Company and details about the initiatives taken by the Company on CSR during the year as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been disclosed as part of this report in Annexure-F. Further details of composition of the Corporate Social Responsibility Committee and other details are provided in the Corporate Governance Report which forms part of this report. CSR policy is available on the Company's website and is accessible at <https://nelcast.com/policies>.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There were no significant / material orders passed by the regulators or courts or tribunals during the financial year 2023-24, impacting the going concern status and Company's operations in future.

### **CHANGE IN NATURE OF BUSINESS**

During the year under review, there has been no change in the Company's nature of business.

## **BOARD'S REPORT - (Contd.)**

### **NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE COMPANY'S SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR**

No Company has become or ceased to be Company's subsidiary, joint venture or associate company during the financial year 2023-24.

### **THE 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 DURING THE FINANCIAL YEAR**

No onetime settlement was done with any Bank / Financial Institutions during the financial year under review.

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

No application was made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year 2023-24.

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has also been constituted for this purpose. During the financial year 2023-24, there were no cases filed pursuant to the above Act.

### **DETAILS OF ESTABLISHMENT OF CODE OF CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY INSIDERS**

The Company has a Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders ("PIT Policy") for connected persons, designated persons, and the insiders (collectively "Insiders") as defined under the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"). The Audit Committee reviews the Institutional Mechanism for prevention of insider trading. The aforementioned policy is available on the Company's website and is accessible at <https://nelcast.com/policies>.

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

In the opinion of Board of Directors of the Company, Independent Directors on the Board of Company hold highest standards of integrity and are highly qualified, recognized, and respected individuals in their respective fields. It's an optimum mix of expertise (including financial expertise), leadership and professionalism.

## **BOARD'S REPORT - (Contd.)**

### **PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS**

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

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

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

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

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

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

### **OTHER DISCLOSURES**

The electronic copies of the 42<sup>nd</sup> Annual Report and the Notice convening the 42<sup>nd</sup> AGM would be sent to all shareholders whose e-mail addresses are registered with the Company or their respective Depository Participants (DP) in accordance with the circulars issued by the Ministry of Corporate Affairs (MCA) read with circulars issued by the SEBI. The full Annual Report is available on the website of the Company and shall also be disseminated to the stock exchanges.

### **ACKNOWLEDGEMENTS**

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

Place : Chennai  
Date : 13<sup>th</sup> May 2024

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

**ANNEXURE A TO THE BOARD'S REPORT**

**FORM NO. AOC-1**

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

Statement containing salient features of the financial statements of subsidiary

**Part "A": Subsidiary**

(₹ in Lakhs)

| <b>S. No.</b> | <b>Particulars</b>  |                   |
|---------------|---|-------------------|
| 1             | Name of the Subsidiary  | NC Energy Limited |
| 2             | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | NA                |
| 3             | Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | NA                |
| 4             | Share Capital   | 4131.00           |
| 5             | Other Equity  | -                 |
| 6             | Total Assets  | 4131.16           |
| 7             | Total Equity and Liabilities  | 4131.16           |
| 8             | Investments   | -                 |
| 9             | Turnover  | -                 |
| 10            | Profit Before Taxation  | -                 |
| 11            | Provision for Taxation  | -                 |
| 12            | Profit After Taxation   | -                 |
| 13            | Proposed Dividend   | -                 |
| 14            | % of shareholding   | 93.44             |

**Notes:**

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

Place: Chennai  
Date : 13<sup>th</sup> May 2024

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

**ANNEXURE B TO THE BOARD'S REPORT**

**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 Nelcast Limited  
34, Industrial Estate,  
Gudur - 524 101.  
Andhra Pradesh.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s. Nelcast Limited** having **CIN : L27109AP1982PLC003518** and having registered office at **34, Industrial Estate, Gudur, Andhra Pradesh - 524 101** (hereinafter referred to as 'the Company'), produced before me/us 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 our opinion and to the best of our 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 us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2024 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 the Directors</b> | <b>DIN</b> | <b>Date of appointment in Company</b> |
|---------------|------------------------------|------------|---------------------------------------|
| 1             | D. Sessa Reddy               | 00520448   | 07/06/1982                            |
| 2             | R. Sridharan                 | 00868787   | 23/05/2022                            |
| 3             | A. Balasubramanian           | 00490921   | 31/10/2009                            |
| 4             | P. Deepak                    | 02785326   | 30/01/2012                            |
| 5             | P. Divya                     | 05158352   | 30/01/2012                            |
| 6             | Maheswari Mohan              | 07156606   | 30/11/2020                            |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our 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: Hyderabad  
Date : 1<sup>st</sup> May 2024

**L. Dhanamjaya Reddy**  
**Practicing Company Secretary**  
**Membership No.: 13104**  
**CP No.: 3752**  
**UDIN : A013104F000283011**



**ANNEXURE C TO THE BOARD'S REPORT**

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR)**

[Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015]

**Section A: General Disclosures**

**I. Details of the listed entity**

1. Corporate Identity Number (CIN) of the Listed Entity : L27109AP1982PLC003518
2. Name of the Listed Entity : Nelcast Limited
3. Year of incorporation : 1982
4. Registered office address : 34, Industrial Estate, Gudur - 524 101, Tirupati Dt., Andhra Pradesh, India
5. Corporate office address : 159, TTK Road, Alwarpet, Chennai - 600 018, Tamil Nadu, India
6. E-mail : nelcast@nelcast.com
7. Telephone : 044 - 24983111
8. Website : www.nelcast.com
9. Financial year for which reporting is being done : 2023-24
10. Name of the Stock Exchange(s) where shares are listed : i. Bombay Stock Exchange Limited  
ii. National Stock Exchange of India Limited
11. Paid-up Capital : ₹ 17,40,02,400/-
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report: Mr. S.K. Sivakumar, Tel: 044-24983111, e-mail: sivakumar@nelcast.com
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together): Standalone basis
14. Name of the assurance provider: NA
15. Type of assurance obtained: NA

**II. Product & Services**

16. Details of business activities (accounting for 90% of the turnover):

| S.No. | Description of Main Activity | Description of Business Activity   | % of turnover of the entity |
|-------|------------------------------|--|-----------------------------|
| 1     | Manufacturing                | Manufacturer of Iron Castings for various application viz., Commercial Vehicles, Tractor, Off-highway, Railways etc. | 100%                        |

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

17. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

| S.No. | Product /Service | NIC Code | % of the total turnover contributed |
|-------|------------------|----------|-------------------------------------|
| 1     | Iron Castings    | 24319    | 100%                                |

**III. Operations**

18. Number of locations where plants an/or operations/offices of the entity are situated

| Location      | Number of Plants | Number of Offices | Total |
|---------------|------------------|-------------------|-------|
| National      | 3                | 1                 | 4     |
| International | 0                | 0                 | 0     |

19. Markets served by the entity:

a. Number of Locations

| Location                         | Number |
|----------------------------------|--------|
| National (No of States)          | 16     |
| International (No of Countries ) | 13     |

b. What is the contribution of exports as a percentage of the total turnover of the entity?: 35%

c. A brief on types of customers: OEMs in the Commercial Vehicle, Tractor, Railways and Off-Highway Vehicle segments spread across India, Europe, North America and Southeast Asia.

**IV. Employees**

20. Details at the end of Financial Year

a. Employees and workers (including differently abled):

| Sl. No.          | Particulars                  | Total (A)   | Male        |                | Female   |              |
|------------------|------------------------------|-------------|-------------|----------------|----------|--------------|
|                  |                              |             | No. (B.)    | % (B/A)        | No. (C)  | % (C/A)      |
| <b>Employees</b> |                              |             |             |                |          |              |
| 1                | Permanent (D)                | 909         | 908         | 99.89%         | 1        | 0.11%        |
| 2                | Other than Permanent (E)     | 321         | 321         | 100.00%        | -        | -            |
| <b>3</b>         | <b>Total Employees (D+E)</b> | <b>1230</b> | <b>1229</b> | <b>99.92%</b>  | <b>1</b> | <b>0.08%</b> |
| <b>Workers</b>   |                              |             |             |                |          |              |
| 1                | Permanent (F)                | 301         | 301         | 100.00%        | -        | -            |
| 2                | Other than Permanent (G)     | 368         | 368         | 100.00%        | -        | -            |
| <b>3</b>         | <b>Total (F+G)</b>           | <b>669</b>  | <b>669</b>  | <b>100.00%</b> | <b>-</b> | <b>-</b>     |

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

b. Differently Abled Employees & Workers

| Sl. No.                            | Particulars                  | Total (A) | Male     |             | Female   |              |
|------------------------------------|------------------------------|-----------|----------|-------------|----------|--------------|
|                                    |                              |           | No. (B.) | % (B/A)     | No. (C)  | % (C/A)      |
| <b>Differently Abled Employees</b> |                              |           |          |             |          |              |
| 1                                  | Permanent (D)                | 1         | 1        | 100%        | -        | -            |
| 2                                  | Other than Permanent (E)     | -         | -        | -           | -        | -            |
| <b>3</b>                           | <b>Total Employees (D+E)</b> | <b>1</b>  | <b>1</b> | <b>100%</b> | <b>-</b> | <b>0.00%</b> |
| <b>Differently Abled Workers</b>   |                              |           |          |             |          |              |
| 1                                  | Permanent (F)                | 3         | 3        | 100%        | -        | -            |
| 2                                  | Other than Permanent (G)     | -         | -        | -           | -        | -            |
| <b>3</b>                           | <b>Total Employees (F+G)</b> | <b>3</b>  | <b>3</b> | <b>100%</b> | <b>-</b> | <b>0.00%</b> |

21. Participation/Inclusion/Representation of Women

| Particulars              | Total (A) | No. and percentage of Females |          |
|--------------------------|-----------|-------------------------------|----------|
|                          |           | No.(B)                        | % ( B/A) |
| Board of Directors       | 6         | 2                             | 33.33%   |
| Key Management Personnel | 2         | 0                             | 0.00%    |

22. Turnover rate for permanent employees and workers

|                     | FY 2023-24<br>(Turnover Rate in the current FY) |        |        | FY 2022-23<br>(Turnover Rate in the previous FY) |        |        | FY 2021-22<br>(Turnover Rate in the year prior to the previous FY) |        |        |
|---------------------|---|--------|--------|--|--------|--------|--|--------|--------|
|                     | Male  | Female | Total  | Male   | Female | Total  | Male   | Female | Total  |
| Permanent Employees | 14.18%  | 0.00%  | 14.18% | 14.13%   | 0.00%  | 14.13% | 13.81%   | 0.00%  | 13.81% |
| Permanent Workers   | 2.91%   | 0.00%  | 2.91%  | 8.28%  | 0.00%  | 8.28%  | 6.84%  | 0.00%  | 6.84%  |

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**

23. (a) Names of holding/subsidiary/associate companies/joint ventures

| S No. | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate Whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|-------|---|--|-----------------------------------|--|
| 1     | NC Energy Limited   | Subsidiary   | 93.44%                            | No   |

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

**VI. CSR Details**

24. CSR Details

- (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
- (ii) Turnover (in ₹) : 1257.57 Crores
- (iii) Net worth (in ₹) : 519.19 Crores

**VII. Transparency and Disclosures Compliances**

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

| Stakeholder Group from whom complaint is received | Grievance Redressal Mechanism in Place. Yes/No (If Yes, then provide web-link for grievance redress policy) | FY 2023-24<br>(Current financial year)     |  |                             | FY 2022-23<br>(Previous financial year)    |  |                             |
|---|---|--|--|-----------------------------|--|--|-----------------------------|
|   |   | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks                     | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks                     |
| Investors (Other than Shareholders)               | Yes   | 0  | 0  | Nil                         | 0  | 0  | Nil                         |
| Shareholders                                      | Yes   | 1  | 0  | Complaint has been resolved | 1  | 0  | Complaint has been resolved |
| Employees & Workers                               | Yes, separate register is maintained  | 120  | 6  | Resolved in subsequent FY   | 30   | 5  | Resolved in subsequent FY   |
| Communities                                       | Yes, separate register is maintained  |  |  |                             |  |  |                             |
| Customers   | Yes, separate register is maintained  |  |  |                             |  |  |                             |
| Value Chain Partners                              | Yes, separate register is maintained  |  |  |                             |  |  |                             |
| Other (Please specify)                            |   |  |  |                             |  |  |                             |

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

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, the rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

| <b>SL. No.</b> | <b>Material Issue Identified</b>                         | <b>Indicate whether Risk / Opportunity (R/O)</b> | <b>Rational for identifying risk or opportunity</b>  | <b>In case of risk, approach to adapt or mitigate</b>   | <b>Financial implication of risk or opportunity (Indicate positive or negative implications)</b> |
|----------------|--|--|--|---|--|
| 1              | Operational Raw material efficiency                      | Opportunity                                      | Making more from less is very critical for a manufacturing organization. Our products such as castings are based on material efficiency as our major raw material Steel Scrap. Material efficiency is critical for attain cost effectiveness and sustainability of the business. |   | Positive Implication   |
| 2              | Sustainable Business                                     | Risk & Opportunity                               | As a manufacturing organization, we prioritize sustainability. Trying reducing consumption of resources, reduce emissions and waste  | Mitigating sustainability risks involves reducing emissions, promoting renewables, adopting sustainable practices, enhancing efficiency, ensuring equity, and engaging stakeholders for a resilient future. | Positive Implication   |
| 3              | Shift in consumer preferences for sustainability         | Opportunity                                      | Continuous spending on R&D is one of the key for us to develop one-of-its-kind innovative products   |   | Positive Implication   |
| 4              | Supply chain disruption from extreme geopolitical issues | Risk   | It may impact the supply / delivery of materials either from our suppliers / to our customers.   | Identification of local suppliers for raw materials will reduce the disruption risks due to geopolitical issues.  | Negative Implication   |

**ANNEXURE C TO THE BOARD’S REPORT (Contd.)**

**SECTION B: Management and Process Disclosures**

- P1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
- P2 Businesses should provide goods and services in a manner that is sustainable and safe.
- P3 Businesses should respect and promote the well-being of all employees, including those in their value chains.
- P4 Businesses should respect the interests of and be responsive to all its stakeholders.
- P5 Businesses should respect and promote human rights.
- P6 Businesses should respect and make efforts to protect and restore the environment.
- P7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
- P8 Businesses should promote inclusive growth and equitable development.
- P9 Businesses should engage with and provide value to their consumers in a responsible manner.

| No. | Disclosure Questions  | P1  | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|---|---|----|----|----|----|----|----|----|----|
|     | <b>Policy and Management Processes</b>  |   |    |    |    |    |    |    |    |    |
| 01. | a. Whether your entity’s policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No))  | Yes. Few of our existing policies are directly addressing the 9 principles, and the remaining indirectly. The company is in the process of expanding its policies to cover all principles directly. |    |    |    |    |    |    |    |    |
|     | b. Has the policy been approved by the Board? (Yes/No)  | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
|     | c. Web Link of the Policies, if available   | <a href="https://nelcast.com/policies">https://nelcast.com/policies</a>   |    |    |    |    |    |    |    |    |
| 02. | Whether the entity has translated the policy into procedures. (Yes / No)  | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 03. | Do the enlisted policies extend to your value chain partners? (Yes/No)  | As of 31 <sup>st</sup> March 2024, our policies do not fully extend to our value chain partners. Going forward, the management will expand them to ensure comprehensive coverage.                   |    |    |    |    |    |    |    |    |
| 04. | Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | The Company has developed policies for its significant operations in conformance with the international standards (such as IATF 16949/ ISO 9001, ISO 14001, OH-SAS 45001, ISO 50001)                |    |    |    |    |    |    |    |    |
| 05. | Specific commitments, goals and targets set by the entity with defined timelines, if any.   | N   | N  | N  | N  | N  | N  | N  | N  | N  |

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

| 06.   | Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.   | Comprehensive performance evaluation of all principles is not carried out, and the company has yet to set goals in certain principles.  |    |    |    |    |    |    |    |   |    |    |    |    |    |    |    |    |
|---|--|---|----|----|----|----|----|----|----|---|----|----|----|----|----|----|----|----|
| Governance, leadership and oversight  |  |   |    |    |    |    |    |    |    |   |    |    |    |    |    |    |    |    |
| 07.   | Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure): As a part of the MD's message to the shareholders. |   |    |    |    |    |    |    |    |   |    |    |    |    |    |    |    |    |
| 08.   | Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).   | Mr. P. Deepak, Managing Director  |    |    |    |    |    |    |    |   |    |    |    |    |    |    |    |    |
| 09.   | Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, details.   | Yes, The Risk Management Committee and the Corporate Social Responsibility Committee constituted by the Board of Directors of the Company evaluate the sustainability related issues from time to time. |    |    |    |    |    |    |    |   |    |    |    |    |    |    |    |    |
| 10. Details of Review of NGRBCs by the Company:   |  |   |    |    |    |    |    |    |    |   |    |    |    |    |    |    |    |    |
| Subject for Review  | Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee  |   |    |    |    |    |    |    |    | Frequency (Annually / Half yearly / Quarterly / Any other – please specify) |    |    |    |    |    |    |    |    |
|   | P1   | P2  | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1  | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action   | Existing board committees, with respect to their tasks, evaluate performance against selected principles.  |   |    |    |    |    |    |    |    | Half Yearly   |    |    |    |    |    |    |    |    |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances   | Existing board committees, with respect to their tasks, evaluate performance against selected principles.  |   |    |    |    |    |    |    |    | Half Yearly   |    |    |    |    |    |    |    |    |
| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, Name of the agency. | P1   | P2  | P3 | P4 | P5 | P6 | P7 | P8 | P9 | No  |    |    |    |    |    |    |    |    |
|   |  |   |    |    |    |    |    |    |    |   |    |    |    |    |    |    |    |    |



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

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

| Questions   | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|----|----|----|----|----|----|----|----|----|
| The entity does not consider the Principles material to its business (Yes/No)   | No | No | No | No | No | No | No | No | No |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | No | No | No | No | No | No | No | No | No |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No)                         | No | No | No | No | No | No | No | No | No |
| It is planned to be done in the next financial year (Yes/No)  | No | No | No | No | No | No | No | No | No |
| Any other reason (please specify)   |    |    |    |    |    |    |    |    |    |

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

**SECTION C: Principle 1. Businesses should Conduct and Govern themselves with integrity and in a manner that is ethical, transparent and accountable.**

**Essential Indicators:**

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

| <b>Segment</b>                    | <b>Total Number of training and awareness programmes held</b> | <b>Topics / principles covered under the training and its impact</b>  | <b>% of persons in respective category covered by the awareness programmes</b> |
|-----------------------------------|---|---|--|
| Board of Directors                | 1   | Specific training for the Board of Directors on the principles was not conducted in FY24, however the topics on the principles has been explained and partially covered in the training programme.  | 100%   |
| Key Managerial Personnel          | 2   | The Company conducts familiarisation programmes for its Key Managerial Personnel at regular intervals, discussing various topics such as Corporate Governance, Corporate Social Responsibility, Business Growth and Sustainability, and various other regulatory updates. | 100%   |
| Employees other than BoD and KMPs | 27  | The Employees were given sessions on health & safety, skill development programme.  | 72%  |
| Workers                           | 30  | The Workers were given sessions on health & safety and a skill development programme.   | 100%   |

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by Directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

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

**A. Monetary**

| Particulars     | NGRBC Principle | Name of the regulatory / Enforcement agencies/judicial institutions | Amount (in ₹) | Brief of the Case | Has an appeal been preferred? Yes/No |
|-----------------|-----------------|---|---------------|-------------------|--------------------------------------|
| Penalty/Fine    | Nil             | Nil   | Nil           | Nil               | Nil                                  |
| Settlement      | Nil             | Nil   | Nil           | Nil               | Nil                                  |
| Compounding Fee | Nil             | Nil   | Nil           | Nil               | Nil                                  |

**B. Non Monetary**

| Particulars  | NGRBC Principle | Name of the regulatory / Enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? Yes/No |
|--------------|-----------------|--|-------------------|--------------------------------------|
| Imprisonment | Nil             | Nil  | Nil               | NA                                   |
| Punishment   | Nil             | Nil  | Nil               | NA                                   |

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision are preferred in cases where monetary or non-monetary action has been appealed.

| Case Details | Name of the regulatory /enforcement agencies/judicial institutions |
|--------------|--|
| NA           | Nil  |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide the details in brief and if available, provide a web-link to the policy:

Yes, The Company has code of conduct and whistle blowing mechanism that serve as guiding principal for the Directors and Senior management. web-link: <https://nelcast.com/policies>.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

|           | FY 2023-24<br>(Current Financial Year) | FY 2022-23<br>(Previous Financial Year) |
|-----------|--|---|
| Directors | Nil                                    | Nil                                     |
| KMPs      | Nil                                    | Nil                                     |
| Employees | Nil                                    | Nil                                     |
| Workers   | Nil                                    | Nil                                     |

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

6. Details of complaints with regard to conflict of interest

| Particulars  | FY 2023-24<br>(Current Financial Year) |         | FY 2022-23<br>(Previous Financial Year) |         |
|--|--|---------|---|---------|
|  | Number                                 | Remarks | Number                                  | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | 0                                      | NA      | 0                                       | NA      |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs      | 0                                      | NA      | 0                                       | NA      |

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest: N.A.

8. Number of days of accounts payables ((Accounts payable\*365) / Cost of goods / services procured) in the following format:

|                                     | FY 2023-24<br>(Current Financial Year) | FY 2022-23<br>(Previous Financial Year) |
|-------------------------------------|--|---|
| Number of days of accounts payables | 72                                     | 61                                      |

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

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format

| Parameter                     | Metrics   | FY 2023-24<br>(Current Financial<br>Year)  | FY 2022-23<br>(Previous<br>Financial Year)   |
|-------------------------------|---|--|--|
| Concentration<br>of Purchases | a. Purchases from trading houses as % of total purchases                                    | Our purchases are made from multiple sources without concentrating on a single trading house or manufacturer. The purchases will vary from time to time-based on supply, demand, and price factors | Our purchases are made from multiple sources without concentrating on a single trading house or manufacturer. The purchases will vary from time to time-based on supply, demand, and price factors |
|                               | b. Number of trading houses where purchases are made from                                   |  |  |
|                               | c. Purchases from top 10 trading houses as % of total purchases from trading houses.        |  |  |
| Concentration of Sales        | a. Sales to dealers / distributors as % of total sales                                      | -  | -  |
|                               | b. Number of dealers / distributors to whom sales are made                                  | -  | -  |
|                               | c. Sales to top 10 dealers / distributors as % of total sales to dealers distributors       | -  | -  |
| Share of RPTS in              | a. Purchases (purchases with related parties / Total purchases)                             | -  | -  |
|                               | b. Sales (Sales to related parties / Total Sales)   | -  | -  |
|                               | c. Loans and advances(Loans and advances given to related parties/Total loans and advances) | -  | -  |
|                               | d. Investments (Investments in related parties / Total investments made)                    | -  | -  |

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

**SECTION C: Principle 2. Businesses should provide goods and services in a manner that is sustainable and safe.**

**Essential Indicators:**

1. Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

| Category | FY 2023-24<br>(Current<br>Financial Year) | FY 2022-23<br>(Previous<br>Financial Year) | Details of improvements in<br>environmental and social<br>impacts |
|----------|---|--|---|
| R&D      | Nil                                       | Nil  | -   |
| Capex    | 5.77%                                     | 2.62%                                      | Dust/ Fume Extraction systems to reduce the pollution from dust.  |

2. Sustainable Sourcing
  - a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) : No
  - b. If yes, what percentage of inputs were sourced sustainably?
3. Describe the processes in place to reclaim products for reusing, recycling, and disposing at the end of life for
  - a. Plastics (Including Packaging): Empty Barrels : sold to approved vendors
  - b. E-Waste: sold to approved vendors
  - c. Hazardous waste: disposed of through authorised vendors
  - d. other waste: Sand: portion is recycled and balance is safely disposed
4. Extended Producer Responsibility (EPR)
 

Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, steps taken to address the same. - No

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

**SECTION C: Principle 3. Businesses should respect and promote the well-being of all employees, including those in their value chains.**

1.

a. Details of measures for the well-being of employees

| Category                              | % of employees covered by |                  |             |                    |             |                    |            |                    |            |                     |         |
|---------------------------------------|---------------------------|------------------|-------------|--------------------|-------------|--------------------|------------|--------------------|------------|---------------------|---------|
|                                       | Total<br>A                | Health Insurance |             | Accident insurance |             | Maternity Benefits |            | Paternity Benefits |            | Day Care Facilities |         |
|                                       |                           | Number B         | %<br>(B/A)  | Number C           | %<br>(C/A)  | Number D           | %<br>(D/A) | Number E           | %<br>(E/A) | Number F            | % (F/A) |
| <b>Permanent Employees</b>            |                           |                  |             |                    |             |                    |            |                    |            |                     |         |
| Male                                  | 908                       | 908              | 100%        | 908                | 100%        | -                  | -          | -                  | -          | -                   | -       |
| Female                                | 1                         | 1                | 100%        | 1                  | 100%        | -                  | -          | -                  | -          | -                   | -       |
| <b>Total</b>                          | <b>909</b>                | <b>909</b>       | <b>100%</b> | <b>909</b>         | <b>100%</b> | -                  | -          | -                  | -          | -                   | -       |
| <b>Other than permanent employees</b> |                           |                  |             |                    |             |                    |            |                    |            |                     |         |
| Male                                  | 321                       | -                | -           | -                  | -           | -                  | -          | -                  | -          | -                   | -       |
| Female                                | -                         | -                | -           | -                  | -           | -                  | -          | -                  | -          | -                   | -       |
| <b>Total</b>                          | <b>321</b>                | -                | -           | -                  | -           | -                  | -          | -                  | -          | -                   | -       |

b. Details of measures for the well-being of Workers

| Category                            | % of workers covered by |                  |             |                    |             |                    |            |                    |            |                     |         |
|-------------------------------------|-------------------------|------------------|-------------|--------------------|-------------|--------------------|------------|--------------------|------------|---------------------|---------|
|                                     | Total<br>A              | Health Insurance |             | Accident insurance |             | Maternity Benefits |            | Paternity Benefits |            | Day Care Facilities |         |
|                                     |                         | Number B         | %<br>(B/A)  | Number C           | %<br>(C/A)  | Number D           | %<br>(D/A) | Number E           | %<br>(E/A) | Number F            | % (F/A) |
| <b>Permanent workers</b>            |                         |                  |             |                    |             |                    |            |                    |            |                     |         |
| Male                                | 301                     | 301              | 100%        | 301                | 100%        | -                  | -          | -                  | -          | -                   | -       |
| Female                              | -                       | -                | -           | -                  | -           | -                  | -          | -                  | -          | -                   | -       |
| <b>Total</b>                        | <b>301</b>              | <b>301</b>       | <b>100%</b> | <b>301</b>         | <b>100%</b> | -                  | -          | -                  | -          | -                   | -       |
| <b>Other than permanent workers</b> |                         |                  |             |                    |             |                    |            |                    |            |                     |         |
| Male                                | 368                     | -                | -           | -                  | -           | -                  | -          | -                  | -          | -                   | -       |
| Female                              | -                       | -                | -           | -                  | -           | -                  | -          | -                  | -          | -                   | -       |
| <b>Total</b>                        | <b>368</b>              | -                | -           | -                  | -           | -                  | -          | -                  | -          | -                   | -       |

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

|   | FY 2023-24<br>(Current Financial Year) | FY 2022-23<br>(Previous Financial Year) |
|---|--|---|
| Cost incurred on well-being measures as a % of total revenue of the company | 0.37%                                  | 0.30%                                   |



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

2. Details of retirement benefits, for current FY and previous financial year

| Benefits       | FY 2023-24<br>(Current Financial Year)              |   |   | FY 2022-23<br>(Previous Financial Year)             |   |   |
|----------------|---|---|---|---|---|---|
|                | Number of employees covered as % of total employees | Number of Workers covered as % of total employees | Deducted and deposited with the authority (Y/N/N.A) | Number of employees covered as % of total employees | Number of Workers covered as % of total employees | Deducted and deposited with the authority (Y/N/N.A) |
| PF             | 100%  | 100%  | Y   | 100%  | 100%  | Y   |
| Gratuity       | 100%  | 100%  | N.A   | 100%  | 100%  | N.A   |
| ESI            | 100%  | 100%  | Y   | 100%  | 100%  | Y   |
| Others-Specify |   |   |   |   |   |   |

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard:

Yes, the premises and offices of the entity are accessible to differently-abled employees and workers as per the requirements of the Rights of Persons with Disabilities Act, 2016. However, the company is further conducting an assessment to ensure full compliance and identify any areas for improvement.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy:

We do not have an exclusive policy but the Company does not discriminate anyone based on their disabilities.

5. Return to work and Retention rates of permanent employees and workers that took parental leave:

| Gender | Permanent Employees |                | Permanent Workers   |                |
|--------|---------------------|----------------|---------------------|----------------|
|        | Return to work Rate | Retention Rate | Return to work Rate | Retention Rate |
| Male   | Nil                 | NA             | Nil                 | NA             |
| Female | Nil                 | NA             | Nil                 | NA             |
| Total  | Nil                 | NA             | Nil                 | NA             |

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

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:

| Particulars                    | Yes/No (if yes then give details of the mechanism in brief)                       |
|--------------------------------|---|
| Permanent Workers              | Yes, There is register maintained and complaints are addresses at the Plant level |
| Other than Permanent Workers   | Yes, There is register maintained and complaints are addresses at the Plant level |
| Permanent Employees            | Yes, There is register maintained and complaints are addresses at the Plant level |
| Other than permanent Employees | Yes, There is register maintained and complaints are addresses at the Plant level |

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

| Category                         | FY 2023-24 (Current Financial Year)                  |   |       | FY 2022-23 (Previous Financial Year)                 |   |       |
|----------------------------------|--|---|-------|--|---|-------|
|                                  | Total employees / workers in respective category (A) | Total employees/ workers in respective category, who are part of association (s) or Union (s) | % B/A | Total employees / workers in respective category (A) | Total employees/ workers in respective category, who are part of association (s) or Union (s) | % B/A |
| <b>Total Permanent Employees</b> |  |   |       |  |   |       |
| Male                             | 0  | 0   | 0     | 0  | 0   | 0     |
| Female                           | 0  | 0   | 0     | 0  | 0   | 0     |
| <b>Total Permanent Workers</b>   |  |   |       |  |   |       |
| Male                             | 301  | 301   | 100%  | 318  | 318   | 100%  |
| Female                           | 0  | 0   | 0     | 0  | 0   | 0     |

8. Details of Training imparted to the employees and workers on health & safety measures and on skill upgradation:

| Category         | FY 2023-24 (Current Financial Year) |                               |            |                      |            | FY 2022-23 (Previous Financial Year) |                               |            |                      |            |
|------------------|-------------------------------------|-------------------------------|------------|----------------------|------------|--------------------------------------|-------------------------------|------------|----------------------|------------|
|                  | Total (A)                           | On health and safety Measures |            | On skill upgradation |            | Total (D)                            | On health and safety Measures |            | On skill upgradation |            |
|                  |                                     | No. B                         | % (B/A)    | No. C                | % (C/A)    |                                      | No. E                         | % (E/D)    | No. F                | % (F/D)    |
| <b>Employees</b> |                                     |                               |            |                      |            |                                      |                               |            |                      |            |
| Male             | 908                                 | 407                           | 45%        | 246                  | 27%        | 811                                  | 280                           | 35%        | 377                  | 46%        |
| Female           | 1                                   | 1                             | 100%       | 1                    | 100%       | 1                                    | 1                             | 100%       | 1                    | 100%       |
| <b>Total</b>     | <b>909</b>                          | <b>408</b>                    | <b>45%</b> | <b>247</b>           | <b>27%</b> | <b>812</b>                           | <b>281</b>                    | <b>35%</b> | <b>378</b>           | <b>47%</b> |
| <b>Workers</b>   |                                     |                               |            |                      |            |                                      |                               |            |                      |            |
| Male             | 301                                 | 159                           | 53%        | 142                  | 47%        | 318                                  | 128                           | 40%        | 190                  | 60%        |
| Female           | -                                   | -                             | -          | -                    | -          | -                                    | -                             | -          | -                    | -          |
| <b>Total</b>     | <b>301</b>                          | <b>159</b>                    | <b>53%</b> | <b>142</b>           | <b>47%</b> | <b>318</b>                           | <b>128</b>                    | <b>40%</b> | <b>190</b>           | <b>60%</b> |

**ANNEXURE C TO THE BOARD’S REPORT (Contd.)**

9. Details of performance and career development reviews of employees and workers:

| Category         | FY 2023-24 (Current Financial Year) |            |             | FY 2022-23 (Previous Financial Year) |            |             |
|------------------|-------------------------------------|------------|-------------|--------------------------------------|------------|-------------|
|                  | Total (A)                           | No.(B)     | % (B/A)     | Total C                              | No.(D)     | % (D/C)     |
| <b>Employees</b> |                                     |            |             |                                      |            |             |
| Male             | 908                                 | 908        | 100%        | 811                                  | 811        | 100%        |
| Female           | 1                                   | 1          | 100%        | 1                                    | 1          | 100%        |
| <b>Total</b>     | <b>909</b>                          | <b>909</b> | <b>100%</b> | <b>812</b>                           | <b>812</b> | <b>100%</b> |
| <b>Workers</b>   |                                     |            |             |                                      |            |             |
| Male             | 301                                 | 301        | 100%        | 318                                  | 318        | 100%        |
| Female           | -                                   | -          | -           | -                                    | -          | -           |
| <b>Total</b>     | <b>301</b>                          | <b>301</b> | <b>100%</b> | <b>318</b>                           | <b>318</b> | <b>100%</b> |

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? **(Yes/ No)**. If yes, the coverage such system?

Yes, the company has all the EHS systems and policies in place and all employees and other stakeholders entering the premises are subject to following the safety and health precautions. This include protocols, procedures and using the required safety and health outfits.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The entity employs routine and non-routine hazard identification and risk assessment processes. This involves regular inspections, internal safety audits, and employee feedback to identify work-related hazards. Risk assessment includes analyzing potential consequences and likelihood of hazards, considering control measures, and implementing necessary corrective actions. These processes ensure proactive management of occupational risks and promote a safe work environment for employees.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? **(Yes/ No)**

Yes

11. Details of safety related incidents:

| Safety Incident / Number  | Category  | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|-----------|-------------------------------------|--------------------------------------|
| Lost Time Injury Frequency Rate (LTIFR) Per One million - person hours worked | Employees | 0.28                                | 1.21                                 |
|   | Workers   | 0                                   | 3.33                                 |
| Total recordable work-related injuries  | Employees | 1                                   | 4                                    |
|   | Workers   | 0                                   | 11                                   |
| No of fatalities  | Employees | 1                                   | 1                                    |
|   | Workers   | 0                                   | 0                                    |
| High consequence work-related injury or ill-health (excluding fatalities)     | Employees | 0                                   | 0                                    |
|   | Workers   | 0                                   | 0                                    |

**ANNEXURE C TO THE BOARD’S REPORT (Contd.)**

12. Describe the measures taken by the entity to ensure a safe and healthy work place:

Yes, the company ensures that employees are protected under an occupational health and safety management system. Monthly safety training programs and safety audits are conducted. Statutory safety information and instructions are prominently displayed at all three manufacturing facilities, with adherence closely monitored by the Safety Officers and their team. Additionally, each of the three plants is equipped with first aid facilities and medical emergency ambulances.

13. Number of complaints made by employees and workers:

| Particulars                         | FY 2023-24<br>(Current Financial Year) |  |                               | FY 2022-23<br>(Previous Financial Year) |  |                               |
|-------------------------------------|--|--|-------------------------------|---|--|-------------------------------|
|                                     | Filed during the year                  | Pending resolutions at the end of the year | Remarks                       | Filed during the year                   | Pending resolutions at the end of the year | Remarks                       |
| Working Conditions, Health & Safety | 120                                    | 6  | Resolved in the subsequent FY | 30                                      | 5  | Resolved in the subsequent FY |

14. Assessments for the year:

| Particulars                 | % of plants and offices that were assessed<br>(By entity or statutory authorities or third parties) |
|-----------------------------|---|
| Health and safety practices | 100%  |
| Working Conditions          | 100%  |

15. Details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions: Necessary action has been taken by the Management to improve the working condition, health & safety practices.

**SECTION C: Principle 4. Businesses should respect the interests of and be responsive to all its stakeholders.**

**Essential Indicators:**

1. Describe the process for identification of key stakeholder groups of the entity:

Our procedure for identifying key stakeholders involves conducting a comprehensive stakeholder analysis. This process typically includes identifying and categorizing individuals or groups who have a direct or indirect interest in the company’s activities, products, or outcomes. Stakeholders may include customers, suppliers, employees, investors, government agencies, local communities, and advocacy groups. The analysis involves gathering information through surveys, interviews, and market research to understand stakeholders’ needs, expectations, and potential impact on the company’s operations.

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

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|-------------------|--|---|--|---|
| Customers         | N  | Email, phone, meeting, exhibition, marketing collaterals.   | Regular  | Product, supply, quality, feedback, payments  |
| Suppliers         | N  | Email, phone, meetings  | Regular  | Estimates, Supply, quality, payments  |
| Employees         | N  | Email, trainings, workshops, one to one, phone  | Regular  | Productivity, concerns, feedbacks.  |

**SECTION C: Principle 5. Businesses should respect and promote human rights.**

**Essential Indicators:**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| Category               | FY 2023-24 (Current Financial Year)  |   |         | FY 2022-23 (Previous Financial Year) |   |         |
|------------------------|--|---|---------|--------------------------------------|---|---------|
|                        | Total (A)  | Number of employees and workers covered (B) | % (B/A) | Total (C)                            | Number of employees and workers covered (D) | % (D/C) |
| <b>Employees</b>       |  |   |         |                                      |   |         |
| Permanent              | The management, with the help of the HR department, is currently formulating training programs on human rights issues and the entity's policies for employees and workers. |   |         |                                      |   |         |
| Other than Permanent   |  |   |         |                                      |   |         |
| <b>Total Employees</b> |  |   |         |                                      |   |         |
| <b>Workers</b>         |  |   |         |                                      |   |         |
| Permanent              | The management, with the help of the HR department, is currently formulating training programs on human rights issues and the entity's policies for employees and workers. |   |         |                                      |   |         |
| Other than Permanent   |  |   |         |                                      |   |         |
| <b>Total Workers</b>   |  |   |         |                                      |   |         |

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

2. Details of minimum wages paid to employees and workers, in the following format:

| Category                    | FY 2023-24 (Current Financial Year) |                       |         |                        |         | FY 2022-23 (Previous Financial Year) |                       |         |                        |         |
|-----------------------------|-------------------------------------|-----------------------|---------|------------------------|---------|--------------------------------------|-----------------------|---------|------------------------|---------|
|                             | Total (A)                           | Equal to Minimum Wage |         | More than Minimum Wage |         | Total (D)                            | Equal to Minimum Wage |         | More than Minimum Wage |         |
|                             |                                     | No. (B)               | % (B/A) | No. (C)                | % (C/A) |                                      | No. (E)               | % (E/D) | No. (F)                | % (F/D) |
| <b>Employees</b>            |                                     |                       |         |                        |         |                                      |                       |         |                        |         |
| <b>Permanent</b>            |                                     |                       |         |                        |         |                                      |                       |         |                        |         |
| Male                        | 908                                 | -                     | -       | 908                    | 100%    | 811                                  | -                     | -       | 811                    | 100%    |
| Female                      | 1                                   | -                     | -       | 1                      | 100%    | 1                                    | -                     | -       | 1                      | 100%    |
| <b>Other than Permanent</b> |                                     |                       |         |                        |         |                                      |                       |         |                        |         |
| Male                        | 321                                 | -                     | -       | 321                    | 100%    | 243                                  | -                     | -       | 243                    | 100%    |
| Female                      | -                                   | -                     | -       | -                      | -       | -                                    | -                     | -       | -                      | -       |
| <b>Workers</b>              |                                     |                       |         |                        |         |                                      |                       |         |                        |         |
| <b>Permanent</b>            |                                     |                       |         |                        |         |                                      |                       |         |                        |         |
| Male                        | 301                                 | -                     | -       | 301                    | 100%    | 318                                  | -                     | -       | 318                    | 100%    |
| Female                      | -                                   | -                     | -       | -                      | -       | -                                    | -                     | -       | -                      | -       |
| <b>Other than Permanent</b> |                                     |                       |         |                        |         |                                      |                       |         |                        |         |
| Male                        | 368                                 | -                     | -       | 368                    | 100%    | 352                                  | -                     | -       | 352                    | 100%    |
| Female                      | -                                   | -                     | -       | -                      | -       | -                                    | -                     | -       | -                      | -       |

3. Details of remuneration / salary / wages (including differently abled): (₹ in Lakhs)

| Category                                | Male   |   | Female |   |
|---|--------|---|--------|---|
|   | Number | Median remuneration/salary/wages of respective category                                     | Number | Median remuneration/salary/wages of respective category                                     |
| <b>Board of Directors</b>               | 3      | Non-Executive director paid Nil & Non-Executive Independent Director paid only sitting fees | 2      | Non-Executive director paid Nil & Non-Executive Independent Director paid only sitting fees |
| <b>Key Managerial Personal</b>          | 2      | 372.04  | 0      | 0   |
| <b>Employees other than BoD and KMP</b> | 1048   | 5303.84   | 1      | 6.92  |
| <b>Workers</b>                          | 311    | 1266.40   | 0      | 0   |

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

4. Gross wages paid to females as % of total wages paid by the entity, in the following format:

|   | <b>FY 2023-24<br/>(Current Financial Year)</b> | <b>FY 2022-23<br/>(Previous Financial Year)</b> |
|---|--|---|
| Gross wages paid to females as % of total wages | 0.10%  | 0.10%   |

5. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No): Yes

6. Describe the internal mechanisms in place to redress grievances related to human rights issues:  
Any issues related to work or other rights can be raised through the respective HODs, in case it has not been resolved the same will be escalated to the HR department / Management.

7. Disclosure of complaints made by employees and workers on sexual harassment, discrimination at workplace, Child Labour, Forced Labour/Involuntary Labour, Wages or other human rights related issues.

| <b>Category</b>                   | <b>FY 2023-24<br/>(Current Financial Year)</b> |  |                | <b>FY 2022-23<br/>(Previous Financial Year)</b> |  |                |
|-----------------------------------|--|--|----------------|---|--|----------------|
|                                   | <b>Filed during the day</b>                    | <b>Pending Resolution at the end of the year</b> | <b>Remarks</b> | <b>Filed during the day</b>                     | <b>Pending Resolution at the end of the year</b> | <b>Remarks</b> |
| Sexual Harassment                 | 0  | 0  | N.A.           | 0   | 0  | N.A.           |
| Discrimination at workplace       | 0  | 0  | N.A.           | 0   | 0  | N.A.           |
| Forced Labour/ Involuntary Labour | 0  | 0  | N.A.           | 0   | 0  | N.A.           |
| Wages                             | 0  | 0  | N.A.           | 0   | 0  | N.A.           |
| Other human right related issues  | 0  | 0  | N.A.           | 0   | 0  | N.A.           |

8. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

|   | <b>FY 2023-24<br/>(Current financial Year)</b> | <b>FY 2022-23<br/>(Previous Financial Year)</b> |
|---|--|---|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 0  | 0   |
| Complaints on POSH as a % of female employees / workers   | 0  | 0   |
| Complaints on POSH upheld   | 0  | 0   |

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

9. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases: Prevention of Sexual Harassment Committee at the Workplace
10. Do human rights requirements form part of your business agreements and contracts? (Yes/No):  
No
11. Assessments of the year

| <b>Category</b>             | <b>% of plants and offices that were assessed (by the entity or by the statutory authorities or third parties)</b> |
|-----------------------------|--|
| Child Labour                | 100%   |
| Forced/Involuntary Labour   | 100%   |
| Sexual harassment           | 100%   |
| Discrimination at workplace | 100%   |
| Wages                       | 100%   |

12. Provide the details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 11 above: No significant risks / concerns above.



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

**SECTION C: Principle 6. Businesses should respect and make efforts to protect and restore the environment.**

**Essential Indicators:**

1. Details of total energy consumption (in Joules or multiples) and energy intensity

| Parameter  | FY 2023-24<br>(Current Financial Year) | FY 2022-23<br>(Previous Financial Year) |
|--|--|---|
| <b>From renewable sources</b>  |  |   |
| Total electricity consumption (A)  | 335760584                              | 254249716                               |
| Total fuel consumption (B)   | -                                      | -                                       |
| Energy consumption through other sources (C)   | -                                      | -                                       |
| <b>Total energy consumed from renewable resources (A+B+C)</b>  | <b>335760584</b>                       | <b>254249716</b>                        |
| <b>From non-renewable sources</b>  |  |   |
| Total electricity consumption (D)  | 263947846                              | 311101506                               |
| Total fuel consumption (E)   | 20                                     | 24                                      |
| Energy consumption through other sources (F)   | -                                      | -                                       |
| <b>Total energy consumed from non-renewable resources (D+E+F)</b>  | <b>263947866</b>                       | <b>311101530</b>                        |
| <b>Total energy consumed. (A+B+C+D+E+F)</b>  | <b>599708450</b>                       | <b>565351246</b>                        |
| <b>Energy intensity per rupee of turnover</b><br>(Total energy consumption/ turnover in rupees)  | 0.05                                   | 0.04                                    |
| <b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b><br>(Total energy consumed / Revenue from operations adjusted for PPP) | -                                      | -                                       |
| <b>Energy intensity in terms of physical output</b>  | -                                      | -                                       |
| Energy intensity (optional) – the relevant metric may be selected by the entity  |  |   |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N). If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, the remedial action taken, if any: No.

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

3. Provide details of the following disclosures related to water, in the following format

| Parameter  | FY 2023-24<br>(Current Financial Year) | FY 2022-23<br>(Previous Financial Year) |
|--|--|---|
| Water Withdrawal by Source (In Kiloliters)   |  |   |
| (i) Surface water  | -                                      | -                                       |
| (ii) Ground water  | 79674.00                               | 36222.21                                |
| (iii) Third party water  |  |   |
| (iv) Seawater / desalinated water  | -                                      | -                                       |
| (v) Third party water  |  |   |
| <b>Total volume of water withdrawal<br/>(in kilolitres) (i + ii + iii + iv + v)</b>  | <b>79674.00</b>                        | <b>36222.21</b>                         |
| Total volume of water consumption<br>(in kilolitres)   | 79674.00                               | 36222.21                                |
| Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)<br>(Total water consumption / Revenue from operations adjusted for PPP) | 0.006                                  | 0.003                                   |
| Water intensity in terms of physical output  | -                                      | -                                       |
| Water intensity (optional) – the relevant metric may be selected by the entity   | -                                      | -                                       |

Note - Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) . If yes, name of the external agency: No

4. Entities should also disclose any contextual information necessary to understand how the data has been compiled, such as any standards, methodologies, assumptions and/or calculation tools used.

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

5. Provide the following details related to water discharge:

| <b>Parameter</b>  | <b>FY 2023-24<br/>(Current Financial Year)</b>  | <b>FY 2022-23<br/>(Previous Financial Year)</b>   |
|---|---|---|
| Water discharge by destination and level of treatment (in kiloliters) |   |   |
| <b>(i) To Surface water</b>   |   |   |
| - No treatment  |   |   |
| - With treatment - please specify level of treatment                  |   |   |
| <b>(ii) To Groundwater</b>  |   |   |
| - No treatment  |   |   |
| - With treatment - please specify level of treatment                  |   |   |
| Water intensity in terms of physical output                           |   |   |
| <b>(iii) To Seawater</b>  |   |   |
| - No treatment  |   |   |
| - With treatment - please specify level of treatment                  |   |   |
| <b>(iv) Sent to third-parties</b>                                     |   |   |
| - No treatment  |   |   |
| - With treatment - please specify level of treatment                  |   |   |
| <b>(v) Others</b>   |   |   |
| - No treatment  |   |   |
| - With treatment - please specify level of treatment                  | Remaining water after processing is using for gardening after treatment through Sewage Treatment Plant in our factory itself. | Remaining water after processing is using for gardening after treatment through Sewage Treatment Plant in our factory itself. |
| <b>Total water discharged (in kilolitres)</b>                         |   |   |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

6. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation: N.A.

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

7. Please provide the details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter                           | Please specify unit | FY 2023-24<br>(Current Financial Year) | FY 2022-23<br>(Previous Financial Year) |
|-------------------------------------|---------------------|--|---|
| NOx                                 | mg/m <sup>3</sup>   | 16.47                                  | 15.76                                   |
| Sox                                 | mg/m <sup>3</sup>   | 16.23                                  | 18.44                                   |
| Particulate Mater                   | mg/Nm <sup>3</sup>  | 51.33                                  | 75.66                                   |
| Persistent organic pollutants (POP) | NA                  | NA                                     | NA                                      |
| Volatile organic compounds (VOC)    | NA                  | NA                                     | NA                                      |
| Hazardous air pollutants (HAP)      | NA                  | NA                                     | NA                                      |
| Others – please specify             |                     |  |   |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No.

8. Please provide the details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & their intensity

| Parameter  | Unit  | FY 2023-24<br>(Current Financial Year)   | FY 2022-23<br>(Previous Financial Year)        |
|--|---|--|--|
| <b>Total Scope 1 emissions</b><br>(Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)                              | Metric tonnes of CO <sub>2</sub> equivalent | The Company is in the process of implementing to reduce carbon emission in different areas such as reduction of Diesel/LPG etc. consumption.           | No significant Scope 1 emission / not measured |
| <b>Total Scope 2 emissions</b><br>(Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)                              | Metric tonnes of CO <sub>2</sub> equivalent | Currently the Company is using the substantial requirement of power consumption through renewable sources and in the process of increasing it further. | No significant Scope 2 emission / not measured |
| <b>Total Scope 1 and Scope 2 emissions intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)   |   | NA   | NA   |
| <b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b><br>(Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) |   | NA   | NA   |
| <b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>  |   |  |  |
| <b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity   |   |  |  |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

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

9. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide the details: Nil
10. Provide details related to waste management by entity, in the following format:

| Parameter  | FY 2023-24<br>(Current Financial Year) | FY 2022-23<br>(Previous Financial Year) |
|--|--|---|
| <b>Total Waste generated (in metric tonnes)</b>  |  |   |
| Plastic waste ( A)   | Not significant / not captured         | Not significant / not captured          |
| E-waste ( B)   | Not significant / not captured         | Not significant / not captured          |
| Bio-medical waste ( C)   | Nil                                    | Nil                                     |
| Construction and demolition waste (D)  | Nil                                    | Nil                                     |
| Battery waste (E)  | Nil                                    | Nil                                     |
| Radioactive waste (F)  | Nil                                    | Nil                                     |
| <b>Other Hazardous waste (G)</b>   | Not significant / not captured         | Not significant / not captured          |
| Other Non-hazardous waste generated (H)<br>(Break-up by composition i.e by materials relevant to the sector)   | Not significant / not captured         | Not significant / not captured          |
| <b>Total (A+B+C+D+E+F+G+H)</b>   |  |   |
| <b>Waste intensity per rupee of Turnover (Total waste generated / Revenue from operations)</b>   |  |   |
| <b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)</b> |  |   |
| <b>Waste intensity in terms of physical output</b>   |  |   |
| <b>Waste intensity (optional) – the relevant metric may be selected by the entity</b>  |  |   |
| <b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>             |  |   |
| <b>Category of waste</b>   |  |   |
| i. Re-cycled   | Nil                                    | Nil                                     |
| ii. Re-used  | Nil                                    | Nil                                     |
| iii. Other recovery operations   | Nil                                    | Nil                                     |
| <b>Total</b>   |  |   |
| <b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>  |  |   |
| <b>Category of Waste</b>   |  |   |
| i. Incineration  | Nil                                    | Nil                                     |
| ii. Landfilling  | Nil                                    | Nil                                     |
| iii. Other disposal operations   | Nil                                    | Nil                                     |
| <b>Total</b>   |  |   |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency: No

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

11. Briefly describe the details of waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes:

We do not have any toxic chemicals used or generated during the process. To manage any other wastes, we follow industry best practices, including segregation, recycling and responsible disposal methods. Our goal is to minimize environmental impact, promote sustainability, and comply with relevant regulations governing waste management and chemical usage.

12. If the entity has operations/offices if any in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required:

| S.No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N)<br>If no, the reasons thereof and corrective action taken, if any. |
|-------|--------------------------------|--------------------|--|
|       | NA                             |                    |  |

13. Details of environmental impact assessments (EIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web Link |
|-----------------------------------|----------------------|------|---|--|-------------------|
| NA                                |                      |      |   |  |                   |
|                                   |                      |      |   |  |                   |

14. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

| SL. No. | Specify the Law / regulation / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---------|---|---------------------------------------|---|---------------------------------|
|         | Nil   |                                       |   |                                 |
|         |   |                                       |   |                                 |

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

**SECTION C: Principle 7. Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.**

**Essential Indicators:**

1. a. Number of affiliations with trade and industry chambers/associations : 8
- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of /affiliated to:

| SL No. | Name of the trade industry chambers/associations              | The reach of trade and industry chambers/ associations (State/ National) |
|--------|---|--|
| 1      | Automotive Component Manufacturers Association                | National   |
| 2      | Confederation of Indian Industry                              | National   |
| 3      | The Institute of Indian Foundry Men                           | National   |
| 4      | Tamil Nadu Electricity Consumer Association                   | State  |
| 5      | Andhra Chamber of Commerce                                    | State  |
| 6      | Madras Management Association                                 | State  |
| 7      | Indo-American Chamber of Commerce                             | International  |
| 8      | Federation of Andhra Pradesh Chamber of Commerce and Industry | State  |

2. Provide Details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regular authorities:

| Name of authority | Brief of the case | Corrective actions taken |
|-------------------|-------------------|--------------------------|
| Nil               |                   |                          |
|                   |                   |                          |

**SECTION C: Principle 8. Businesses should promote inclusive growth and equitable development.**

**Essential Indicators:**

1. Details of social impact assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of the project | SIA Notification No. | Date of notification | Whether conducted by an independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web Link |
|---------------------------------------|----------------------|----------------------|--|--|-------------------|
| Nil                                   |                      |                      |  |  |                   |

2. Information on project (s) for which ongoing rehabilitation and resettlement (R&R) is being undertaken by the entity, in the following format:

| SL No. | Name of project for which R&R is ongoing | State | District | No. of project-affected families | % of PAFs covered by R&R | Amount paid to PAFs in FY23 (in INR) |
|--------|--|-------|----------|----------------------------------|--------------------------|--------------------------------------|
|        | Nil                                      |       |          |                                  |                          |                                      |

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

3. Describe the mechanisms to receive and redress grievances of the community: The Management has instructed / given mandate the respective plant heads to address any community related grievances and take appropriate action.
4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

| Particulars  | FY 2023-24<br>(Current Financial Year) | FY 2022-23<br>(Previous Financial Year) |
|--|--|---|
| Directly sourced from MSMEs/ small producers                         | 26%                                    | 21%                                     |
| Sourced directly from within the district and neighbouring districts | 76%                                    | 39 %                                    |

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

| Location     | FY 2023-24<br>(Current Financial Year)   | FY 2022-23<br>(Previous Financial Year)  |
|--------------|--|--|
| Rural        | We give first preference to the neighboring villages for any employment and use them. However, there is no data maintained for the same currently. | We give first preference to the neighboring villages for any employment and use them. However, there is no data maintained for the same currently. |
| Semi-Urban   |  |  |
| Urban        |  |  |
| Metropolitan |  |  |

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

**Leadership Indicators**

The details of CSR amount spent against other than ongoing projects for the financial year 2023-24 are given in the CSR Annexure-F of the Board's Report.

**SECTION C: Principle 9. Businesses should engage with and provide value to their consumers in a responsible manner.**

**Essential Indicators:**

1. Describe the mechanism in place to receive and respond to consumer complaints and feedback:  
The customer complaints are received by the Marketing department and based on the intensity of the complaints/ feedback it is taken up with the respective teams at plant level to address the issues.
2. Turnover of products and /services as a percentage of turnover from all products/service that carry information about:

| Particulars   | As a % of total turnover |
|---|--------------------------|
| Environmental and social parameters relevant to the product | Nil                      |
| Safe and responsible usage                                  | Nil                      |
| Recycling and/or safe disposal                              | Nil                      |



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

3. Number of consumer complaints in respect of the following:

| Particulars                    | FY 2023-24<br>(Current Financial Year) |                                   | Remarks | FY 2022-23<br>(Previous Financial Year) |                                   | Remarks |
|--------------------------------|--|-----------------------------------|---------|---|-----------------------------------|---------|
|                                | Received during the year               | Pending resolution at end of year |         | Received during the year                | Pending resolution at end of year |         |
| Data Privacy                   | -                                      | -                                 | -       | -                                       | -                                 | -       |
| Advertising                    | -                                      | -                                 | -       | -                                       | -                                 | -       |
| Cyber-security                 | -                                      | -                                 | -       | -                                       | -                                 | -       |
| Delivery of essential services | -                                      | -                                 | -       | -                                       | -                                 | -       |
| Restrictive Trade Practices    | -                                      | -                                 | -       | -                                       | -                                 | -       |
| Unfair Trade Practices         | -                                      | -                                 | -       | -                                       | -                                 | -       |
| Other                          | -                                      | -                                 | -       | -                                       | -                                 | -       |

4. Details of instances of product recalls on account of safety issues:

| Particulars       | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | Nil    |                    |
| Forced recalls    | Nil    |                    |

5. Does the entity have Framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, web-link of the policy: Yes, no web-link is available.
6. Provide Details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services: Nil
7. Provide the following information relating to data breaches:
  - a. Number of instances of data breaches: Nil
  - b. Percentage of data breaches involving personally identifiable information of customers
  - c. Impact, if any, of the data breaches

**ANNEXURE D TO THE BOARD'S REPORT**

**PARTICULARS OF EMPLOYEES  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2024**

The information required under Section 197 of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- i. The Ratio of remuneration of each director to the median remuneration of the employees of the company for the Financial Year 2023-24 and percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2023-24:

| Sl. No. | Name of the Director/Key Managerial Personnel and Designation   | % Increase/ (Decrease) in the remuneration | Ratio to Median remuneration of employees |
|---------|---|--|---|
| 1       | Mr. P. Deepak, Managing Director & CEO                          | 24%  | 75  |
| 2       | Mr. D. Sessa Reddy, Independent Director                        | N.A  | N.A                                       |
| 3       | Mr. R. Sridharan, Independent Director                          | N.A  | N.A                                       |
| 4       | Mr. A. Balasubramanian, Independent Director                    | N.A  | N.A                                       |
| 5       | Ms. Maheswari Mohan, Independent Director                       | N.A  | N.A                                       |
| 6       | Ms. P. Divya, Non-Executive Director                            | N.A  | N.A                                       |
| 7       | Mr. S.K. Sivakumar, Chief Financial Officer & Company Secretary | 15%  | 31  |

The Independent Directors were paid only sitting fees during the Financial Year 2023-24.

- ii. The Percentage increase/(decrease) in the median remuneration of the employees in the financial year is 4%
- iii. The number of permanent employees on the rolls of Company: 1210.
- iv. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: 14%

Increase in remuneration is based on remuneration policy of the Company.

- v. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that the remuneration is as per the remuneration policy of the Company.

**ANNEXURE E TO THE BOARD'S REPORT**

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2024**

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

**To THE BOARD OF DIRECTORS OF  
M/s NELCAST LIMITED**  
34, Industrial Estate, Gudur,  
Andhra Pradesh - 524101

We have conducted the Secretarial Audit on the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Nelcast Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my opinion, the Company has, during the audit period from 01.04.2023 to 31.03.2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms, and returns filed and other records maintained by **M/s. Nelcast Limited** ("**The Company**") for the period from 01.04.2023 to 31.03.2024 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
  - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') :
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. SEBI (Prohibition of Insider Trading) Regulations, 2015;
    - c. The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the company during audit period)
    - d. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

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

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period)
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period).
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. The Payment of Wages Act, 1936
- vii. The Minimum Wages Act, 1948
- viii. Employees Provident Fund and Misc. Provisions Act, 1952
- ix. Employees State Insurance Act, 1948
- x. Payment of Gratuity Act, 1972
- xi. Employee's Compensation Act, 1923
- xii. Contract Labour (Regulation & Abolition) Act, 1970
- xiii. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- xiv. Income Tax Act, 1961
- xv. GST Acts and Rules made thereunder
- xvi. The Insurance Act, 1938, as amended
- xvii. The Factories Act, 1948 and Andhra Pradesh Factories Rules, 1980
- xviii. Water (Prevention & Control of Pollution) Act, 1974 and rules there under
- xix. Air (Prevention & Control of Pollution) Act, 1981 and rules there under
- xx. The Environment (Protection) Act, 1986
- xxi. Hazardous and Other Wastes (Management & Trans boundary Movement) Rules, 2016
- xxii. Customs Act, 1962
- xxiii. Newspaper Publications
- xxiv. The Boilers Act, 1923 and Indian Boilers Regulations, 1950
- xxv. The Petroleum Act, 1934 and Petroleum Rules, 2002
- xxvi. The Payment of Bonus (Amendment) Act, 2015
- xxvii. Electricity Act, 2003
- xxviii. The Industrial Employment (Standing Orders) Act, 1946
- xxix. The Tamil Nadu Factory Rules, 1950
- xxx. The Tamil Nadu Labour Welfare Fund Act
- xxxi. The Apprentices Act, 1961
- xxxii. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

2. I have also examined compliance with the applicable clauses of
  - i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - ii) the Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited.
3. We further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:
  - Closure of the Register of Members;
  - Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
  - Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
  - The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;
  - Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
  - Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
  - Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
  - Payment of remuneration to Directors including the Managing Director and Whole-time Directors;
  - Appointment and remuneration of Statutory Auditor, Cost Auditor and Secretarial Auditor;
  - Borrowings and registration, modification and satisfaction of charges wherever applicable;
  - Investment of the Company's funds including investments and loans to others;
  - Format of Balance Sheet and statement of profit and loss is as per Schedule III of the Companies Act, 2013 read with Companies Indian Accounting Standards (Ind AS) Rules, 2015;
  - Report of the Board of Directors;
  - The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Senior Management;
  - A separate meeting of Independent Directors was held during the year as per the provisions of Companies Act, 2013;
  - Maintenance of various statutory registers and documents and making necessary entries therein has been done as per Companies Act, 2013;
  - 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;

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

- Declaration and payment of dividends;
  - Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
4. We further report that there was no prosecution initiated and no fines or penalties were imposed during the period under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed thereunder against the Company or its Directors and Officers.
5. We Further Report That:
- The Company is paying wages to all employees as per the provisions of Minimum Wages Act, 1948 and The Payment of Wages Act, 1936.
  - The company is regular in payment of gratuity as per the rules of the Payment of Gratuity Act, 1972 and has provided 100% provision in the books of accounts.
  - The Company has filed return as per the Factories Act, 1948.
  - The company is regular in publishing Audited and Unaudited Financial Results.
  - The Company has renewed the Insurance Policy under Employees State Insurance Act, 1948.
  - The Company is paying bonus to all employees as per the provisions of the Payment of Bonus (Amendment) Act, 2015.
  - The Company is regular in paying all statutory dues like PF, ESI, Goods and Services Tax, Income Tax etc.,
6. We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
7. We further Report that during the audit period the Company has
- No Public/Right/Preferential Issue of Shares/Debentures/Sweat Equity etc.,
  - No Redemption/Buy-back of Securities;
  - No major Decision taken by the members in pursuance of Section 180 of the Companies Act, 2013;
  - No Merger/Amalgamation/Reconstruction, etc.,
  - No Foreign Technical Collaborations;

Place: Hyderabad  
Date : 1<sup>st</sup> May 2024

**For L.D. Reddy & Co.,  
Company Secretaries**

**L. Dhanamjaya Reddy  
(Proprietor)  
CP No.: 3752  
M. No. : 13104  
UDIN : A013104F000283088**

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

**ANNEXURE**

**To THE BOARD OF DIRECTORS OF  
M/s NELCAST LIMITED**  
34, Industrial Estate, Gudur,  
Andhra Pradesh - 524101

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

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records on our audit.
2. We have followed the audit practices and processes as 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the information and relevant documents including representation given by the management about the compliance of laws, rules and regulations and happening of events etc.
5. The compliances of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the company efficiency of effectiveness with which the management has conducted the affairs of the Company.

Place : Hyderabad  
Date : 1<sup>st</sup> May 2024

**For L.D. Reddy & Co.,  
Company Secretaries**  
**L. Dhanamjaya Reddy**  
**(Proprietor)**  
**CP No.: 3752**  
**M. No. : 13104**  
**UDIN: A013104F000283088**

**ANNEXURE F TO THE BOARD'S REPORT**

**ANNUAL REPORT ON CSR ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2024**

1. Brief outline on CSR Policy of the Company:

The Company has framed its CSR policy in compliance with the provisions of the Companies Act, 2013 and the policy is duly approved by the Board of Directors. The guiding principles of CSR programmes are “sustainability” and “impact through empowerment”. These guiding principles shall run through all the approved CSR projects, within the broad framework of Schedule VII of the Act.

2. Composition of CSR Committee:

| 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       | P. Deepak        | Chairman                             | 1  | 1  |
| 2       | D. Sesha Reddy   | Member                               | 1  | 1  |
| 3       | P. Divya         | Member                               | 1  | 1  |

|  |   |
|--|---|
| 3. Provide 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.   | <a href="https://nelcast.com/policies">https://nelcast.com/policies</a> |
| 4. Provide 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 (attach the report).   | Not Applicable  |
| 5. 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 |   |

| Sl. No. | Financial Year | Amount available for set-off from preceding financial year | Amount required to be set-off for the financial year, if any |
|---------|----------------|--|--|
| 1       | 2022-23        | 4.84   | 2.73   |
|         |                |  |  |
|         |                |  |  |



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

₹ in Lakhs

|  |         |
|--|---------|
| 6. Average net profit of the company as per section 135(5)   | 2388.49 |
| 7. (a) Two percent of average net profit of the company as per section 135(5)                            | 47.77   |
| (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. | -       |
| (c) Amount required to be set off for the financial year, if any   | 4.84    |
| (d) Total CSR obligation for the financial year (7a+7b-7c).  | 42.93   |

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

₹ in Lakhs

| Total amount spent for the Financial Year | Amount Unspent  |                  |   |        |                  |
|---|---|------------------|---|--------|------------------|
|   | 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 |
| 45.04                                     | -   | -                | -   | -      | -                |

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

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

(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 of the Act   | Local Area | Location of the Project |            | Amount spent for the project (₹ in Lakhs) | Mode of Implementation - Direct (Yes / No) | Details of Implementing Agency          |                  |
|---------|-----------------------|---|------------|-------------------------|------------|---|--|---|------------------|
|         |                       |   |            | State                   | District   |   |  | Name                                    | CSR Regn. Number |
| 1       | Healthcare            | Health Camps, Medical help to Underprivileged, Malnutrition reduction, Hunger relief, relief for COVID-19 etc., | Yes        | AP                      | Tirupati   | 9.31                                      | Yes  | NA                                      | NA               |
|         |                       |   |            | TN                      | Chennai    | 3.00                                      | No   | Cancer Research & Relief Trust          | CSR 00009049     |
|         |                       |   |            | TN                      | Chennai    | 1.00                                      | No   | Aranya Foundation                       | CSR000 28786     |
|         |                       |   |            | TN                      | Tiruvallur | 17.04                                     | Yes  | NA                                      | NA               |
| 2       | Vocational Training   | Vocational training to unemployed youth, school dropouts, placement linked skills development training etc.,    | Yes        | AP                      | Tirupati   | 0.10                                      | Yes  | NA                                      | NA               |
| 3       | Promoting Education   | Promoting Education   | Yes        | TN                      | Tiruvallur | 1.69                                      | Yes  | NA                                      | NA               |
|         |                       |   |            | AP                      | Tirupati   | 0.30                                      | Yes  | NA                                      | NA               |
|         |                       |   |            | AP                      | Anna-mayya | 2.50                                      | No   | Venkata-subba Reddy Memorial Foundation | CSR000 24413     |
| 4       | Community Development | Providing safe drinking water to community  | Yes        | AP                      | Tirupati   | 3.83                                      | Yes  | NA                                      | NA               |
| 5       | Rural Development     | Infrastructure Development  | Yes        | AP                      | Tirupati   | 6.27                                      | Yes  | NA                                      | NA               |
|         |                       | <b>Total</b>  |            |                         |            | <b>45.04</b>                              |  |   |                  |

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

- (d) Amount spent in Administrative Overheads: Nil  
 (e) Amount spent on Impact Assessment, if applicable: Not Applicable  
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e) 45.04 Lakhs

(g) Excess amount for set off, if any ₹ in Lakhs

| Sl. No. | Particulars   | Amount |
|---------|---|--------|
| (i)     | Two percent of average net profit of the company as per section 135(5)                                      | 47.77  |
| (ii)    | Total amount spent for the Financial Year   | 45.04  |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]   | -2.73  |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | 4.84   |
| (v)     | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | 2.11   |

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil  
 (b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): Nil
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 (asset-wise details): Nil
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Nil

Place: Chennai  
 Date : 13<sup>th</sup> May 2024

**P. Deepak**  
**Chairman**  
**CSR Committee**

**ANNEXURE G TO THE BOARD'S REPORT**

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

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

**A. CONSERVATION OF ENERGY :**

|    |   |   |
|----|---|---|
| a) | The Steps taken or impact on conservation of energy                     | The Company continues its efforts to improve energy conservation efforts through upgradation of process technology and various energy saving initiatives such as LED lighting, compressor air leakage monitoring and optimum utilisation of air compressors, using energy efficient motors, automatic power factor control panels. Usage of Variable Frequency Drive (VFD) in the machines. The company does periodical Energy Audit. The Company has also certified for ISO 50001. |
| b) | The Steps taken by the Company for utilizing alternate source of energy | The Company is using substantial portion of power from wind and solar through group captive mode. The company is further exploring possibilities of increasing wind and solar power in the coming years.  |
| c) | Capital investment on energy conservation equipments                    | Replacement of oil fired burner with gas fired burner for the purpose of improving combustion efficiency with reduction of fuel consumption. Installation of power saving motors and variable frequency drive in the compressors. The Company has installed 1 MW inhouse solar plant at their plant in Pedapariya.  |

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

**B. TECHNOLOGICAL ABSORPTION :**

|       |   |   |
|-------|---|---|
| (i)   | The efforts made towards technology absorption  | (i) New materials development for innovative next generation products like Austempered Ductile Iron applications.<br><br>(ii) Develop new processes technologies to improve the product quality and performance. Snag Grinding machine for fettling.  |
| (ii)  | The benefits like product improvement, cost reduction, product development or import substitution | The Company is committed to introducing new products and improving existing products to have better performance levels. During the year, the Company has developed more than 50 new components for various segments. The Company is doing many research activities in the areas of new material development, component weight reduction, yield improvement, core weight reduction, process design, process improvement etc. |
| (iii) | Imported Technology   | Not Applicable  |
|       | a. The Details of technology imported   |   |
|       | b. The year of import   |   |
|       | c. Whether the technology been fully absorbed   |   |
|       | d. If not fully absorbed, areas where absorption has not taken place and the reasons thereof; and |   |
| (iv)  | The Expenditure incurred on Research and Development  | Capital Expenditure: -<br>Revenue Expenditure: ₹ 797.50 Lakhs<br>Total Research & Development Expenditure: ₹ 797.50 Lakhs   |

**C. FOREIGN EXCHANGE EARNING AND OUTGO:**

The total foreign exchange earned and used are as under:

|                               |   |                  |
|-------------------------------|---|------------------|
| Total Foreign Exchange Used   | : | ₹ 4762.94 Lakhs  |
| Total Foreign Exchange Earned | : | ₹ 42295.46 Lakhs |

Place: Chennai  
Date : 13<sup>th</sup> May 2024

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

**REPORT ON CORPORATE GOVERNANCE**  
**[Pursuant to Schedule V-Para C of the SEBI (LODR) Regulations, 2015]**

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

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

**2. BOARD OF DIRECTORS**

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

**Composition of the Board of Directors:**

The Composition of Board of Directors is in conformity with the Corporate Governance Code, [the Companies Act, 2013 and the Listing Regulations]. Total Directorships held by the Directors are within the limits prescribed under Section 165 of the Companies Act, 2013 read with Regulation 17A of SEBI LODR.

The Board comprises of one executive director and five non-executive directors, out of which four are independent directors. All non-executive independent directors are persons of eminence and bring a wide range of expertise and experience to the Board. The Independent Directors fulfill the conditions specified in the regulations and are independent of the Management.

**Disclosure of relationship between directors inter-se:**

Mr. P. Deepak, Managing Director and Ms. P. Divya, Director are related to each other. There is no inter-se relationship among the other Directors of the Company.

**Independent Directors:**

In accordance with Section 149(7) of the Act, 2013, all Independent Directors have declared that they meet the criteria of independence as provided under Section 149(6) of the Act, 2013 and Regulation 25 of the Listing Regulations and the Board confirms that they are independent of the management.

**Appointment / Re-appointment of Directors:**

In terms of Regulation 36(3) of the Listing Regulations a brief resume of director proposed to be appointed / re-appointed, nature of their expertise, other directorships and committee memberships, shareholdings and relationships, if any, with other directors are provided in the notice convening Annual General Meeting of the Company.

## REPORT ON CORPORATE GOVERNANCE - (Contd.)

### Board Meetings:

During the financial year, meetings of the Board of Directors were held on 18<sup>th</sup> May 2023, 2<sup>nd</sup> August 2023, 30<sup>th</sup> October 2023 and 29<sup>th</sup> January 2024.

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

| Name of the Director   | Category in the Company                  | Board Meetings | Annual General Meeting |
|------------------------|--|----------------|------------------------|
| Mr. D. Sessa Reddy     | Chairman,<br>Non-Executive & Independent | 4              | Attended               |
| Mr. R. Sridharan       | Non-Executive & Independent              | 4              | Attended               |
| Mr. A. Balasubramanian | Non-Executive & Independent              | 4              | Attended               |
| Ms. Maheswari Mohan    | Non-Executive & Independent              | 4              | Attended               |
| Mr. P. Deepak          | Executive Director & Promoter            | 4              | Attended               |
| Ms. P. Divya           | Non-Executive & Promoter                 | 4              | Attended               |

### Directors' Membership as on 31<sup>st</sup> March 2024 in other Boards or Committees thereof:

| Name of the Director   | Other Boards | Other Board Committees | Directorship in other Listed Entities |  |   |
|------------------------|--------------|------------------------|---------------------------------------|--|---|
|                        |              |                        | Number of Listed Entity               | Name of the Listed Entity                | Category of Directorship in the Listed Entity |
| Mr. D. Sessa Reddy     | 1            | 2                      | 1                                     | Dodla Dairy Ltd                          | Non-Executive, Non-Independent Director       |
| Mr. R. Sridharan       | 2            | 8                      | -                                     | -  | -   |
| Mr. A. Balasubramanian | 2            | 5                      | 1                                     | Butterfly Gandhimathi Appliances Limited | Independent Director                          |
| Ms. Maheswari Mohan    | 1            | 2                      | 1                                     | Butterfly Gandhimathi Appliances Limited | Independent Director                          |
| Mr. P. Deepak          | 2            | 1                      | -                                     | -  | -   |
| Ms. P. Divya           | 2            | -                      | -                                     | -  | -   |

**REPORT ON CORPORATE GOVERNANCE - (Contd.)**

**Equity shares held by the Non-Executive Directors:**

| No. | Name                   | Number of Shares |
|-----|------------------------|------------------|
| 1   | Mr. D. Sesha Reddy     | Nil              |
| 2   | Mr. R. Sridharan       | Nil              |
| 3   | Mr. A. Balasubramanian | Nil              |
| 4   | Ms. Maheswari Mohan    | Nil              |
| 5   | Ms. P. Divya           | 16154249         |

**Skills, Expertise and Competencies of the Board:**

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

| Areas/Fields            | Skills/Competence/Expertise  |
|-------------------------|--|
| Financial Management    | Proficiency in Financial Management, Practical knowledge and experience in Corporate Finance, accounting and reporting and internal financial controls.  |
| Business Development    | Understanding diverse business environments, with a broad perspective of global business opportunities.  |
| Sales and Marketing     | Understanding Domestic and International automotive businesses.  |
| Leadership/Strategy     | Leadership experience in managing companies and associations including general management, leadership roles in large businesses, with competencies around strategy development & implementation, business administration / operations and people management. |
| Industry and Technology | Possessing industrial, technical, and operational expertise and experience in foundry and emerging technologies and associations with industrial bodies and professional network.  |
| Governance/Regulatory   | Having insight into maintaining effective Board and Management relationship, Protecting Stakeholders Interest/ Strong expertise and experience in regulatory compliance.   |



## REPORT ON CORPORATE GOVERNANCE - (Contd.)

In terms of the requirement of the SEBI Listing Regulations, the individual skills, experience, competency, and expertise of each of the Directors of the Company is mapped to the core skills/expertise/competencies of the Directors already identified by the Board, as furnished above, in the context of the Company's business for effective functioning and as available with the Board:

| SKILLS / EXPERTISE / COMPETENCIES IDENTIFIED |                      |                                  |                     |                      |  |                        |
|--|----------------------|----------------------------------|---------------------|----------------------|--|------------------------|
| Name of the Director                         | Financial Management | Business environment perspective | Sales and Marketing | Leadership/ Strategy | Industry/ Technology/ Technical Skills | Governance/ Regulatory |
| Mr. D. Sesha Reddy                           | ✓                    | ✓                                | ✓                   | ✓                    | ✓                                      | ✓                      |
| Mr. R. Sridharan                             | ✓                    | ✓                                | ✓                   | ✓                    | ✓                                      | ✓                      |
| Mr. A. Balasubramanian                       | ✓                    | ✓                                | ✓                   | ✓                    | ✓                                      | ✓                      |
| Mr. P. Deepak                                | ✓                    | ✓                                | ✓                   | ✓                    | ✓                                      | ✓                      |
| Ms. P. Divya                                 | ✓                    | ✓                                | ✓                   | ✓                    | ✓                                      | ✓                      |
| Ms. Maheswari Mohan                          | ✓                    | ✓                                |                     | ✓                    | ✓                                      | ✓                      |

### Familiarisation Programme:

Pursuant to Regulation 25 of SEBI LODR Listing Regulations, the Company follows a structured orientation and familiarisation programme through various reports/codes/internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. The Company also has an ongoing familiarization programme for its Independent Directors, with the objective of familiarizing them with the Company, its operations and business model, nature of the industry on which the Company operates and environment in which it operates, the regulatory environment applicable to it, the CSR projects undertaken by the Company and the roles, rights, and responsibilities of Independent Directors. The induction programme includes plant visit for detailed understanding of manufacturing process of the company. The details of familiarisation programme have been posted on the Company's website and is accessible at <https://nelcast.com/familiarization-directors>

### 3. AUDIT COMMITTEE

The terms of reference of the Audit Committee are as per the provisions Regulation 18(3) of the SEBI LODR and Section 177 of the Companies Act, 2013 and other applicable provisions of SEBI LODR and the Act, as amended from time to time. In line with these provisions, the Company has framed an Audit Committee Charter, which is subject to review by the Board of Directors. The members of the Audit Committee are financially literate and possess accounting and related financial management expertise. The Internal Auditors of the Company make presentations to the Audit Committee on their reports on a regular basis.

**REPORT ON CORPORATE GOVERNANCE - (Contd.)**

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

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient, and credible.
- Compliance with Accounting Standards and changes in accounting policies and practices.
- Review of Quarterly results, Annual Financial Statements of the Company, and auditor's report thereon before submission to the board for approval.
- Review of the Company's accounting policies, internal accounting and financial controls, risk management policies and such other matters.
- Discussing the nature and scope of Internal Audit and the Internal Controls.
- Reviewing the adequacy of internal audit functions and systems, structure, reporting process, audit coverage and frequency of internal audit.
- Review of risk management policies and practices.
- Evaluate internal financial controls and risk management systems.
- Recommendation for appointment, remuneration and terms of appointment of Statutory Auditors.
- Review of Related Party Transactions.
- Other matters as specified in Regulation 18(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee is chaired by Mr. A. Balasubramanian (Independent Director), and its members include Mr. R. Sridharan (Independent Director), Mr. D. Sessa Reddy (Independent Director) and Mr. P. Deepak (Non-Independent Director). The meetings were held on 18<sup>th</sup> May 2023, 2<sup>nd</sup> August 2023, 30<sup>th</sup> October 2023, 29<sup>th</sup> January 2024 and 9<sup>th</sup> March 2024.

| <b>Name of the Member</b> | <b>No. of Audit Committee Meetings held</b> | <b>No. of Audit Committee Meetings attended</b> |
|---------------------------|---|---|
| Mr. A. Balasubramanian    | 5   | 5   |
| Mr. R. Sridharan          | 5   | 5   |
| Mr. D. Sessa Reddy        | 5   | 5   |
| Mr. P. Deepak             | 5   | 5   |

**4. NOMINATION & REMUNERATION COMMITTEE**

The Company has a Nomination and Remuneration Committee constituted pursuant to the provisions of the Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, which decides the Remuneration of all the directors and senior management members of the Company. The Committee comprises Mr. R. Sridharan (Independent Director), Chairman, Mr. D. Sessa Reddy (Independent Director) and Mr. A. Balasubramanian (Independent Director), Members. During the year under review, two meetings of the Nomination and Remuneration Committee were held on 18<sup>th</sup> May 2023 and 29<sup>th</sup> January 2024.

## REPORT ON CORPORATE GOVERNANCE - (Contd.)

| Name of the Member     | No. of Nomination & Remuneration Committee Meetings Held | No. of Nomination & Remuneration Committee Meetings Attended |
|------------------------|--|--|
| Mr. R. Sridharan       | 2  | 2  |
| Mr. D. Sessa Reddy     | 2  | 2  |
| Mr. A. Balasubramanian | 2  | 2  |

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

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

The Company has adopted a Remuneration Policy for the Directors, Key Managerial Personnel and other employees. Remuneration of the Directors, KMPs shall be based on and taking into account their scope of duties, role and nature of responsibilities, level of skill, knowledge and experience, core performance, requirements, the Company's performance and such other parameters as the Company may decide from time to time. The said policy is available on the Company's website and is accessible at <https://nelcast.com/policies>.

### Performance evaluation criteria for Independent Directors:

In terms of Section 178 of the Act and Regulation 19 read with Schedule II to the Listing Regulations, the Nomination and Remuneration Committee has laid down the criteria for performance evaluation of the Board as a whole, its Committees and individual Directors. Based thereon, the evaluation was carried out by the Board.

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholder's Relationship Committee has been constituted pursuant to Section 178 of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of the Listing Regulations to look into all types of grievances from shareholders and redress them expeditiously. The committee comprises of Mr. D. Sessa Reddy (Independent Director), Chairman, Mr. R. Sridharan (Independent Director) and Mr. P. Deepak (Non-Independent Director), Members. The Company Secretary is the Compliance Officer of the committee. During the year the committee met on 30<sup>th</sup> October 2023 and all the members have attended the meeting.

**REPORT ON CORPORATE GOVERNANCE - (Contd.)**

**Number of pending share transfers:**

As on 31<sup>st</sup> March 2024, there were no share transfers pending. Share Transfers have been effected during the year well within the time prescribed by the Stock Exchanges and a certificate to this effect duly signed by a Practicing Company Secretary has been furnished to Stock Exchanges.

**Compliance Officer:**

**S.K. Sivakumar**

Chief Financial Officer & Company Secretary  
159, TTK Road, Alwarpet, Chennai - 600 018  
Ph: 044-24983111 Fax: 044-24982111  
E-mail: sivakumar@nelcast.com

Number of Shareholder complaints received & resolved during the year 2023-24: 1  
No. of pending complaints as on 31<sup>st</sup> March 2024: - Nil -

**6. (A) RISK MANAGEMENT COMMITTEE**

In compliance with Regulation 21 of the Listing Regulations, the Board had constituted the Risk Management Committee. The role and terms of reference of the Risk Management Committee cover the areas mentioned under Regulation 21 of the Listing Regulations, 2015 and provisions of the Act read with rules framed thereunder. The Company has in place a policy on risk assessment and minimization procedure to reduce or prevent undesirable incidents or unexpected loss. The policy is reviewed periodically. Risk Management policy may be accessed on the Company's website <https://nelcast.com/policies>.

The Committee comprises Mr. P. Deepak (Director), Chairman, Mr. A. Balasubramanian (Independent Director) and Ms. Maheswari Mohan (Independent Director), Members. During the year under review, two meetings of the Risk Management Committee were held on 21<sup>st</sup> July 2023 and 13<sup>th</sup> January 2024 and the attendance of members are given below:

| Members of the Committee | No. of Risk Management Committee Meetings Held | No. of Risk Management Committee Meetings Attended |
|--------------------------|--|--|
| Mr. A. Balasubramanian   | 2  | 2  |
| Ms. Maheswari Mohan      | 2  | 2  |
| Mr. P. Deepak            | 2  | 2  |

**(B) SENIOR MANAGEMENT**

The following personnel's are the senior management of the Company. There were no changes in the senior management since the closure of the previous Financial year. The Senior Management comprises of Mr. V.P. Premkumar and Mr. T.N. Sriram.

**REPORT ON CORPORATE GOVERNANCE - (Contd.)**

**7. PARTICULARS OF SITTING FEE / REMUNERATION PAID TO DIRECTORS DURING THE FINANCIAL YEAR 2023-24**

**Particulars of Sitting Fee paid to Non-Executive Directors:**

| Name of the Non-Executive Directors | Sitting Fee (₹) |
|-------------------------------------|-----------------|
| Mr. D. Sesha Reddy                  | 5,50,000        |
| Mr. R. Sridharan                    | 5,30,000        |
| Mr. A. Balasubramanian              | 5,50,000        |
| Ms. Maheswari Mohan                 | 2,60,000        |

**Remuneration paid to Whole-time Director:**

| Details                             | Managing Director (₹) |
|-------------------------------------|-----------------------|
| Remuneration (including commission) | 2,63,94,341           |

**Pecuniary transactions with Non-Executive Directors**

There are no pecuniary transactions with Non-Executive Directors during the Financial Year 2023-24.

**Details of Service contracts, notice period, severance fees etc:** - Nil -

**Stock Option Details :** - Nil -

**8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Board has set up a Corporate Social Responsibility Committee for the Company which decides CSR Policies and activities of the Company. The Committee comprises Mr. P. Deepak, Chairman, Mr. D. Sesha Reddy, and Ms. P. Divya, Members. There was one meeting held on 18<sup>th</sup> May 2023 and all the members attended the meeting. The committee formulates and recommend to the Board, the CSR activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013. The committee also monitors and reviews the CSR policy periodically and attends to such other matters and functions as may be prescribed from time to time.

**9. INDEPENDENT DIRECTORS MEETING**

In terms of requirements under Schedule IV of the Act and Regulation 25 (3) of Listing Regulations, a separate meeting of the Independent Directors was held. During the year under review, the Independent Directors met on 29<sup>th</sup> January 2024, inter alia, to discuss:

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

All the independent Directors were present at the meeting.

**REPORT ON CORPORATE GOVERNANCE - (Contd.)**

**10. GENERAL BODY MEETINGS**

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

| Year    | Location  | Date       | Time     |
|---------|---|------------|----------|
| 2022-23 | Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") | 04.08.2023 | 03.30 PM |
| 2021-22 | Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") | 03.08.2022 | 03.30 PM |
| 2020-21 | Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") | 09.08.2021 | 03.30 PM |

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

| Year    | Subject Matter of Special Resolution   | Date of AGM |
|---------|--|-------------|
| 2022-23 | Re-appointment of Mr. P. Deepak, Managing Director<br>Increase in borrowing limits of the Company<br>Increase in limits for creation of charges on the assets of the Company | 04.08.2023  |
| 2021-22 | Appointment of Mr. R. Sridharan, Independent Director  | 03.08.2022  |
| 2020-21 | Changes in terms of appointment of Mr. P. Deepak, Managing Director  | 09.08.2021  |

**iii. Postal Ballot: - Nil -**

**iv. E-Voting:**

The Company provided e-voting facility to the shareholders, in respect of the business set out in the Notice convening Annual General Meeting. This was provided to facilitate them to exercise the voting. Results of the voting for the resolutions passed in the Annual General Meeting of the Company along with the Scrutinizer Report pursuant to Section 108 & 109 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 will be available in the Company's website <https://nelcast.com>.

**11. MEANS OF COMMUNICATION**

- The Quarterly / Half-yearly financial results published in one National Edition (English Language) and one in Regional Edition.
- The quarterly results, shareholding pattern, Investor presentation and press releases are posted in BSE & NSE websites and also available on the Company's website and is accessible at <https://nelcast.com>.

**12. DISCLOSURE OF ACCOUNTING TREATMENT**

The financial statements for the year 2023-24 have been prepared in compliance with Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Companies Act, 2013.

## REPORT ON CORPORATE GOVERNANCE - (Contd.)

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

### 13. GENERAL SHAREHOLDER INFORMATION

|   |  |                   |
|---|--|-------------------|
| Registered Office                                     | 34, Industrial Estate, Gudur - 524 101, Andhra Pradesh.<br>Ph: 08624-251266/766, Fax: 08624-252066   |                   |
| a. Annual General Meeting                             | Date and Time: 25 <sup>th</sup> July 2024 & 3.30 PM.<br>Through Video Conferencing & Other Audio-Visual Means  |                   |
| b. Financial Year                                     | 1 <sup>st</sup> April to 31 <sup>st</sup> March  |                   |
| c. Dividend Payment Date                              | Within 30 days from 25 <sup>th</sup> July 2024   |                   |
| d. Financial Calendar/Results Publication (Tentative) | <ul style="list-style-type: none"> <li>• Results for the quarter ending 30<sup>th</sup> June 2024 - by 1<sup>st</sup> week of August 2024.</li> <li>• Results for the quarter and half year ending 30<sup>th</sup> Sep 2024 - by 2<sup>nd</sup> week of November 2024.</li> <li>• Results for the quarter and nine months ending 31<sup>st</sup> Dec 2024 - by 2<sup>nd</sup> week of February 2025.</li> <li>• Results for the year ending 31<sup>st</sup> March 2025 - by May 2025.</li> </ul> |                   |
| Date of Book Closure                                  | 19 <sup>th</sup> July 2024 to 25 <sup>th</sup> July 2024 (both days inclusive)   |                   |
| e. Listing of Stock Exchanges                         | <b>Name of Exchange</b>  | <b>Stock Code</b> |
|   | 1. Bombay Stock Exchange Limited (BSE), P J Towers, Dalal Street, Mumbai - 400 001.  | 532864            |
|   | 2. National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra - Kurla Complex, Bandra(E), Mumbai - 400 051.  | NELCAST           |
| ISIN  | INE189I01024   |                   |
| Payment of Listing Fees                               | The Company has paid in advance the Listing Fees to both stock exchanges above for the financial year 2024-25.   |                   |

**REPORT ON CORPORATE GOVERNANCE - (Contd.)**

**f. Market price data: High, Low during each month in the financial year 2023-24:**

| Month  | BSE      |         | NSE      |         |
|--------|----------|---------|----------|---------|
|        | High (₹) | Low (₹) | High (₹) | Low (₹) |
| Apr'23 | 103.50   | 87.25   | 103.80   | 87.30   |
| May'23 | 105.00   | 91.85   | 104.90   | 91.90   |
| Jun'23 | 99.90    | 88.80   | 99.80    | 87.65   |
| Jul'23 | 114.00   | 90.85   | 114.20   | 90.05   |
| Aug'23 | 143.75   | 109.35  | 143.65   | 109.55  |
| Sep'23 | 173.10   | 120.65  | 173.40   | 120.35  |
| Oct'23 | 173.10   | 150.95  | 174.20   | 151.20  |
| Nov'23 | 194.50   | 162.60  | 194.30   | 162.05  |
| Dec'23 | 179.00   | 151.90  | 179.30   | 151.10  |
| Jan'24 | 175.30   | 152.35  | 175.60   | 156.00  |
| Feb'24 | 165.45   | 148.80  | 165.80   | 148.00  |
| Mar'24 | 159.75   | 120.95  | 160.30   | 121.65  |

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

| Month  | BSE      |         | BSE Sensex |          |
|--------|----------|---------|------------|----------|
|        | High (₹) | Low (₹) | High       | Low      |
| Apr'23 | 103.50   | 87.25   | 61209.46   | 58793.08 |
| May'23 | 105.00   | 91.85   | 63036.12   | 61002.17 |
| Jun'23 | 99.90    | 88.80   | 64768.58   | 62359.14 |
| Jul'23 | 114.00   | 90.85   | 67619.17   | 64836.16 |
| Aug'23 | 143.75   | 109.35  | 66658.12   | 64723.63 |
| Sep'23 | 173.10   | 120.65  | 67927.23   | 64818.37 |
| Oct'23 | 173.10   | 150.95  | 66592.16   | 63092.98 |
| Nov'23 | 194.50   | 162.60  | 67069.89   | 63550.46 |
| Dec'23 | 179.00   | 151.90  | 72484.34   | 67149.07 |
| Jan'24 | 175.30   | 152.35  | 73427.59   | 70001.60 |
| Feb'24 | 165.45   | 148.80  | 73413.93   | 70809.84 |
| Mar'24 | 159.75   | 120.95  | 74245.17   | 71674.42 |



**REPORT ON CORPORATE GOVERNANCE - (Contd.)**

**h. There was no suspension from trading in equity shares of the Company during the year 2023-24.**

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

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

**k. Distribution of shareholding within various categories as on 31<sup>st</sup> March 2024:**

| No. of Equity Shares held | No. of Shareholders | % of Share Holders | No. of Shares   | % of Share holding |
|---------------------------|---------------------|--------------------|-----------------|--------------------|
| 1 - 500                   | 25896               | 83.98              | 3227329         | 3.71               |
| 501 - 1000                | 2503                | 8.12               | 1998668         | 2.30               |
| 1001 - 2000               | 1238                | 4.01               | 1881619         | 2.16               |
| 2001 - 3000               | 432                 | 1.40               | 1107406         | 1.27               |
| 3001 - 4000               | 244                 | 0.79               | 868149          | 1.00               |
| 4001 - 5000               | 157                 | 0.52               | 744301          | 0.85               |
| 5001 - 10000              | 213                 | 0.69               | 1553975         | 1.79               |
| 10001 and above           | 152                 | 0.49               | 75619753        | 86.92              |
| <b>Total</b>              | <b>30835</b>        | <b>100.00</b>      | <b>87001200</b> | <b>100.00</b>      |

**Shareholding Pattern as on 31<sup>st</sup> March 2024:**

| Category                         | No. of Shares held | % to Total    |
|----------------------------------|--------------------|---------------|
| Promoter & Promoter Group        | 65134249           | 74.87         |
| Bodies Corporate                 | 1159835            | 1.33          |
| Individuals                      | 15134632           | 17.40         |
| HUF                              | 434871             | 0.50          |
| Clearing Members                 | 36454              | 0.04          |
| Trust                            | 2382421            | 2.74          |
| Foreign Individuals/NRI          | 2243624            | 2.58          |
| Employees                        | 689                | 0.00          |
| IEPF Authority                   | 56425              | 0.06          |
| Financial Institutions/Banks/AIF | 418000             | 0.48          |
| <b>Total</b>                     | <b>87001200</b>    | <b>100.00</b> |

**REPORT ON CORPORATE GOVERNANCE - (Contd.)**

**I. Dematerialization of Shares and liquidity:**

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

100% of the total equity capital is held in dematerialized form with NSDL & CDSL as on 31<sup>st</sup> March 2024.

**m.** Outstanding global depository receipts (GDR) or American depository receipts (ADR) or warrants or any convertible instruments, conversion date and likely impact on equity shares as on 31<sup>st</sup> March 2024: The Company has no outstanding of GDR / ADR / Warrants or any Convertible Instruments.

**n. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:**

i. Risk management policy of the listed entity with respect to commodities including through hedging:

The Company does not have any significant exposure to commodity price risk.

ii. Exposure of the Company to commodity and commodity risks faced by the entity throughout the year:

a) Total exposure of the listed entity to commodities in INR: Nil

b) Exposure of the listed entity to various commodities:

| Commodity Name | Exposure in INR towards the particular Commodity | Exposure in Quantity terms towards the particular commodity | % of such exposure hedged through commodity derivatives |          |                      |          | Total |
|----------------|--|---|---|----------|----------------------|----------|-------|
|                |  |   | Domestic market   |          | International market |          |       |
|                |  |   | OTC   | Exchange | OTC                  | Exchange |       |
| NA             | NA   | NA  | NA  | NA       | NA                   | NA       | NA    |

**o. Plant Locations:**

**Gudur Unit**

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

**Ponneri Unit**

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

**Pedapariya Unit**

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

**p. Address for Correspondence:**

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

**REPORT ON CORPORATE GOVERNANCE - (Contd.)**

**q. DETAILS OF CREDIT RATING OBTAINED BY THE COMPANY**

| Name of the Instrument       | Credit Rating by ICRA |
|------------------------------|-----------------------|
| Long term fund based limits  | A                     |
| Short term fund based limits | A1                    |

During the year ICRA has reaffirmed the credit rating of ICRA A (Stable) for long term fund-based limits and ICRA A1 for short term fund-based limits.

**14. OTHER DISCLOSURES**

- a. The related party transactions during the financial year 2023-24 are disclosed in the report as required under Indian Accounting Standard 24 (Ind AS 24) notified vide the Companies (Indian Accounting Standard) Rules, 2015. There are no materially significant related party transactions made by the Company with its promoters and subsidiaries. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company.
- b. There were neither non-compliance by the Company nor any penalties, strictures imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years except the fees/fine levied by Stock Exchanges against the Company for delay in appointment of Director/ Woman Independent Director, under Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Company has paid the applicable fees/fine to stock exchanges.
- c. Whistle blower mechanism:  
The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee.
- d. The Company complied with all mandatory requirements.
- e. The Company's Policy relating to determination of Material Subsidiaries is available on the Company's website and is accessible at <https://nelcast.com/policies>.
- f. The Related Party Transaction Policy is available on the Company's website and is accessible at <https://nelcast.com/policies>.
- g. The Company does not have any significant exposure to commodity price risk. Hence, the Company is not undertaking any commodity hedging activities.
- h. The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of the Listing Regulations.
- i. Certificate from Practicing Company Secretary  
The Company has received a certificate from the Practicing Company Secretary that none of the directors of the Company have been debarred or disqualified from being appointed as Director by SEBI/MCA/or any other statutory authority.

## REPORT ON CORPORATE GOVERNANCE - (Contd.)

- j. There was no instance of any non-acceptance by the Board of Directors of the recommendations of any Committee of the Board, where it is mandatorily required, during the financial year under review.
- k. Fees paid to Statutory Auditor on a consolidated basis:  
During 2023-24, ₹ 16.00 Lakhs was paid by the Company and its subsidiary companies to the Statutory Auditors/entities in network firm/network entity of which the Statutory Auditors are a member.
- l. Sexual Harassment at workplace:  
During the year under review, the Company has not received any complaints in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- a) number of complaints filed during the financial year - Nil
- b) number of complaints disposed of during the financial year - Nil
- c) number of complaints pending as on end of the financial year - Nil
- m. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which Directors are interested by name and amount: Nil
- n. Details of Material Subsidiary of the Listed Entity: -Nil-
- o. All the requirements of corporate governance report of sub paragraphs (2) to (10) Para C of Schedule V of the Listing Regulations has been duly complied with.
- p. Disclosure of certain types of agreements binding listed entities: There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations.
- q. There is no non-compliance of any of the Corporate Governance report as required under SEBI LODR.
- r. The necessary disclosures of compliance with Corporate Governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 of SEBI LODR are complied.
- s. The Company had issued formal letters of appointment to Independent Directors in the manner as provided in the Companies Act, 2013. The terms and conditions of appointment are disclosed in the website of the Company. The Company has formulated a policy to familiarise the Independent Directors. The details of familiarization program imparted to Independent Directors are hosted on the website of the Company, [www.nelcast.com](http://www.nelcast.com). All Independent Directors of the Company shall be bound by duties of Independent Directors as set out in the Companies Act, 2013 read with the Schedules and Rules thereunder.
- t. The dividend distribution policy framed by the Company in accordance with the Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) and approved by the Board of Directors is available on the Company's website and is accessible at <https://nelcast.com/policies>
- u. The Company, on a periodical basis, reviews various policies framed under the Act and SEBI LODR and such other statutes, as applicable and amends them based on the requirement to ensure conformity with relevant regulatory changes and industry practices.

**REPORT ON CORPORATE GOVERNANCE - (Contd.)**

- v. The Company has duly sent communication to shareholders in terms of SEBI circular dated 3<sup>rd</sup> November 2021 and it is being complied with the process of having a common and simplified norm for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and nomination.
- w. **Disclosure of certain types of agreements binding listed entities:**  
There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations

**15. NON-MANDATORY DISCLOSURES**

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

**b. Publication of half yearly results:**

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

c. The financial statements of the Company are unmodified.

d. Internal Auditor directly reports to the Audit Committee.

**16. FOLLOWING DIVIDENDS ARE TRANSFERABLE TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF) ON THE RESPECTIVE DATES, AS UNDER, IN ACCORDANCE WITH THE PROVISIONS OF SECTION 124(5) OF THE COMPANIES ACT, 2013**

| Nature of Dividend            | Transferable to IEPF on | Amount as on 31.03.2024 in ₹ |
|-------------------------------|-------------------------|------------------------------|
| Final Dividend for FY 2016-17 | 02.08.2024              | 2,59,816                     |
| Final Dividend for FY 2017-18 | 12.08.2025              | 2,40,825                     |
| Final Dividend for FY 2018-19 | 31.07.2026              | 1,76,875                     |
| Final Dividend for FY 2020-21 | 08.08.2028              | 37,349                       |
| Final Dividend for FY 2021-22 | 02.08.2029              | 44,983                       |
| Final Dividend for FY 2022-23 | 03.08.2030              | 57,225                       |

**17. CEO/CFO CERTIFICATION**

Mr. P. Deepak, CEO & Managing Director and Mr. S.K. Sivakumar, CFO have furnished the certificate as per the requirement of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**18. COMPLIANCE CERTIFICATE OF THE AUDITORS ON CORPORATE GOVERNANCE**

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

**DECLARATION - CODE OF CONDUCT**

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management personnel have affirmed compliance with the applicable Code of Conduct for the financial year ended 31<sup>st</sup> March 2024.

Place : Chennai  
Date : 13<sup>th</sup> May 2024

**P. Deepak**  
Managing Director

**REPORT ON CORPORATE GOVERNANCE - (Contd.)**

**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF  
CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**To THE MEMBERS OF  
NELCAST LIMITED**

We have examined the compliance of conditions of Corporate Governance by Nelcast Limited for the year ended 31<sup>st</sup> March 2024 stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchanges.

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

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

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For K NAGARAJU & ASSOCIATES**

Chartered Accountants  
Firm Regn. No. 002270S

**K. NAGARAJU**

Partner  
Membership No. 024344

Place: Chennai

Date : 13<sup>th</sup> May 2024

UDIN: 24024344BKDBJD7400

**REPORT ON CORPORATE GOVERNANCE - (Contd.)**

**CERTIFICATE OF CHIEF EXECUTIVE OFFICER AND  
CHIEF FINANCIAL OFFICER**

**[As per Regulation 17(8) of the Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]**

**To THE BOARD OF DIRECTORS  
NELCAST LIMITED**

We have reviewed the financial statements prepared based on the Indian Accounting Standards for the year ended 31<sup>st</sup> March 2024 and certify that:

- a) These statements to the best of our knowledge and belief:
  - I. Do not contain any materially untrue statements or omit any material facts or contain statements that might be misleading:
  - II. Present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, there are no transactions entered into by the Directors and Senior Management Personnel during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company for such reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls, of which we are aware of and the steps taken and/or proposed to be taken to rectify these deficiencies.
- d) We have also indicated to the Auditors and the Audit Committee that there are:
  - (i) no significant changes in Internal Controls with respect to financial reporting during the year.
  - (ii) no Significant changes in accounting policies during the Year and these have been disclosed in the notes to the financial statements.
  - (iii) no instances of significant fraud involving either the management or employees having a significant role in the Company's internal control systems with respect to financial reporting.

**P. Deepak**  
**CEO & Managing Director**

**S.K. Sivakumar**  
**Chief Financial Officer**

Place : Chennai

Date : 13<sup>th</sup> May 2024



## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian Auto sector witnessed a robust growth trajectory in fiscal year 2024, registering an impressive 12.5% year-over-year growth in Domestic sales as per SIAM. This growth spanned across various segments with the Two-Wheeler segment seeing a 13.3% increase, attributed to greater availability of models, introduction of new and innovative products, and a rising positive market sentiment. This was further bolstered by the burgeoning electric vehicle (EV) market and strategic launches in the premium Two-Wheeler segment. The Three-Wheeler segment set a new industry benchmark with a staggering 41.5% growth, driven by the rollout of cost-effective CNG options, an influx of new EV models, and an increased demand for last mile mobility in expanding urban settings. Passenger Vehicles (PV) achieved a milestone with an 8.4% growth, propelling the segment to an all-time high, with a magnificent model mix, better vehicle availability, and a significant contribution from the SUV segment, which now commands a 50% share of the market.

The commercial vehicle (CV) industry faced a challenging landscape in FY2023-24. The declaration of elections led to a short-term dip in buying activity, yet projections indicate a rebound after the polls, coinciding with less anxiety over the upcoming monsoon season. The sector battled multiple issues, including a downturn in recent times, disappointing results in the agricultural domain, intensified discounting, and hurdles in securing financing. Nevertheless, certain segments experienced robust demand, particularly in the transportation of coal and cement. This demand was driven by substantial bulk orders and updates to vehicle fleets, leading to increased interaction with customers.

After hitting a record volume of 944,000 units in fiscal year 2023, the tractor industry saw a downturn in 2024 due to poor rainfall and inconsistent monsoon conditions. According to ICRA, a less-than-ideal and irregular monsoon season has affected agricultural sentiments and curtailed the demand for tractors. Preliminary projections suggest a reduction in crop yields; tardy harvesting of the kharif crops has pushed back the rabi planting season. ICRA predicts that the domestic tractor market will experience a slight growth ranging from 1% to 4% in fiscal year 2025, bolstered by early forecasts of a normal upcoming monsoon season.

### OPPORTUNITIES AND THREATS

The Company supplies castings for Commercial Vehicles, Tractors, Off-Highway Vehicles and Railways. The Company enjoys the confidence from its valued customers for providing quality products. Therefore, as newer and more advanced castings are developed, the Company has an edge over the competition due to its diverse capabilities. The company has made significant investments to increase capacity and is poised to take advantage from the growth from both the domestic automotive industry and the global market.

The Company continually reviews its business plan and draws out action plans to leverage on its opportunities and counter any threats. The main threat to which the industry is exposed to is volatility of the market which affects capacity utilization and volatility of commodity prices which impacts the input costs. However, the Company strives to create sustainable profitable growth by continuing to focus on technology and quality while offering wide range of products to diversified segments and customers, which will give us a competitive edge in the market.



## MANAGEMENT DISCUSSION AND ANALYSIS - (Contd.)

### SEGMENT WISE OR PRODUCTWISE PERFORMANCE

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

#### OUTLOOK

##### Global Economy:

Despite supply chain disruptions and the Ukraine conflict, the global economy has shown resilience, managing to evade stagflation and recession. Economic activity continues, even with notable inflation and widespread monetary tightening. The World Economic Outlook predicts a steady global growth of 3.2 percent for 2024 and 2025, with various factors such as high borrowing costs and geopolitical tensions moderating this growth. Inflation is expected to fall from 6.8 percent in 2023 to 4.5 percent by 2025. Advanced economies are likely to reach inflation targets before emerging markets. However, the five-year global growth forecast stands at a historically low 3.1 percent. Central banks now aim to guide the economy to a soft landing, navigating inflation carefully without premature policy shifts or excessive tightening.

##### Indian Economy:

In the fiscal year 2024, the Indian economy exhibited strong performance with a 6.8% GDP growth, as per the IMF's World Economic Outlook Update in April 2024, with a forecast of 6.5% for 2025. India maintained growth momentum amidst global economic headwinds due to macroeconomic stability and a resilient financial sector. Notable achievements include controlled inflation, a strong external financial stance, continued fiscal consolidation, and a robust banking sector. India's economic recovery in FY 2022 stood out globally, with a quick return to pre-pandemic growth levels by FY 2023. Despite facing inflation challenges escalated by Europe's geopolitical tensions in the reviewed fiscal year, coordinated actions by the Indian government and the RBI, and the dip in global commodity prices, successfully kept inflation below the RBI's upper threshold by November 2022, showcasing the Indian economy's capacity to manage complexities in the global environment.

Source: World Economic Outlook, April 2024: Steady but Slow: Resilience amid Divergence (imf.org)

##### Commercial Vehicle Outlook:

India's commercial vehicle (CV) market remained largely unchanged for fiscal year 2024. According to ICRA the medium and heavy commercial vehicle (M&HCV) segment observed a modest annual growth of 4% in wholesale and 7% in retail sales during the period, yet it's projected to face a minor decline of 4-7% in sales volumes for FY2024-25 due to a high base effect and election-related disruptions in infrastructure projects. Meanwhile, the light commercial vehicle (LCV) sector experienced a slight contraction in FY2023-24, with wholesale and retail sales dropping by 1% and 3%, respectively. The downward trend is anticipated to continue into FY2024-25 with an estimated 5-8% decline in LCV wholesale volumes, attributed to the lingering effects of a high base, a slowdown in e-commerce, and competition from electric three-wheelers. Collectively, the domestic CV industry reported an incremental annual growth of 0.6% in wholesale volumes and a more significant 4.8% uptick in retail sales for FY2023-24. The majority of this growth occurred during the first nine months of the fiscal year, propelled by infrastructure projects, but these gains tapered off in the final quarter due to the impactful combination of the high base effect and reduced infrastructure activity amid the enforcement of the Model Code of Conduct. As we look ahead to FY2024-25, ICRA anticipates a levelling off in the domestic CV market's growth, with an expected minor decrease in sales volumes.

## MANAGEMENT DISCUSSION AND ANALYSIS - (Contd.)

### Tractor Sales:

After hitting a record volume of 944,000 units in fiscal year 2023, the tractor industry saw a downturn in 2024 due to poor rainfall and inconsistent monsoon conditions. Preliminary projections suggest a reduction in crop yields; tardy harvesting of the kharif crops has pushed back the rabi planting season. The delay in kharif harvest resulted in the postponement of rabi planting, which in turn led to a similar year-over-year area being cultivated with rabi crops. It is expected that the domestic tractor market will experience a slight growth ranging from 1% to 4% in fiscal year 2025, bolstered by early forecasts of a normal upcoming monsoon season.

### ABOUT NELCAST LIMITED

Incorporated in 1982, Nelcast Limited (“Nelcast” or “the Company”) is a leading producer of ductile & grey iron castings in India. Besides a strong position in the domestic market, the Company has a rapidly growing presence spread across North America, Europe and Southeast Asia as well with over 26% of its overall revenues generated from the export markets. The Company caters to a marquee clientele of Original Equipment Manufacturers (OEMs) and Tier-1 customers in Commercial Vehicle, Tractor, Off-Highway Equipment, Railways & Passenger Vehicle segments. Nelcast has an aggregate installed production capacity of 160,000 Metric Tonnes per annum. Its factories are located at Ponneri in Tamil Nadu, and at Gudur and Pedapariya in Andhra Pradesh..

### STRENGTHS

- Diversified customer base with strong relationships:** Nelcast has a distinguished customer base of over 40 customers that includes OEMs and Tier 1 companies. It serves as a strategic supplier and partner of first choice to TAFE, Tata Motors, DANA, Ashok Leyland, Automotive Axles Limited, Meritor and American Axles & Manufacturing, among others. The Company is a one-stop shop for its customers for Grey Iron, Ductile Iron and Austempered Ductile Iron ranging from 0.5 kg to 400 kg. Awards received over the past few years for categories like – ‘Best in Class Supplier’, ‘Best Delivery Performance’, ‘Platinum Award for Best Quality’, among others serve as a validation for its efforts to deliver value to its customers.
- Strategic Location:** Nelcast’s manufacturing plants are in close proximity (37-140 km) to Chennai, which is a major manufacturing hub for automotive companies. Chennai forms both a key customer base for Nelcast and a reliable source of steel scrap, a crucial raw material for the Company. All 3 plants are within 15-110 km of India’s largest source of Silica Sand near Gudur. Moreover, Chennai’s International airport with direct flights to Europe, Middle-East & Southeast/East Asia make it convenient for customers to visit and see the Company’s world class facilities first hand. The location also enhances Company’s export business given it is close to Krishnapatnam & Chennai seaports that gives Nelcast easy access to reach its customers around the world.
- Strong Export growth potential:** India is being viewed as a key cog in the global automotive supply chain. Sourcing machined castings from India is now becoming an attractive option for global customers. Nelcast is among the few companies in the industry capable of meeting the requirements of top global OEMs & Tier 1 manufacturers. Currently, the Company exports machined castings to reputable corporates in North America, Europe and Southeast Asia. Revenue from exports has grown 35% in the current year and stood at ₹ 445 Crores in FY2023-24.

## MANAGEMENT DISCUSSION AND ANALYSIS - (Contd.)

4. **Strong product mix:** Nelcast has a very differentiated product portfolio as it transitioned from manufacturing basic products to specializing in medium to high complexity products that will allow Nelcast to generate high margins. This helps the Company to compete against the local and Chinese suppliers, that mainly compete on low complexity products.

### RISKS AND CONCERNS

#### Economy and Market Risk:

External factors such as government policies and rainfall could have a significant impact on sales of Tractors and Commercial Vehicles, which are cyclical in nature. To mitigate the risk of seasonality & cyclicity in the domestic market, the Company has been developing its export segments and products in other segments viz. off-highway, railways etc.

#### Input Cost Risk:

Our profitability and cost effectiveness may be affected due to change in the prices of raw materials, power, and other input costs. While we are typically able to pass on these costs to our customers with a slight lag. This risk is significant and is carefully monitored.

#### Currency Risk:

The Company's exposure on foreign currency is primarily through earnings from exports. The company also might import some capital goods and raw materials only when prices are favourable. However, this exposure is typically short term. The company does selective hedging of imports and exports to hedge its risks associated with exchange rates. Any substantial long-term liabilities viz. ECBs are fully hedged by the Company.

#### Interest Rate Risk:

The Company is exposed to interest rate risk pertaining to funds borrowed from Banks. The Company works closely with our banks and using its working capital effectively to minimize the overall interest costs.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS - (Contd.)

### INTERNAL FINANCIAL CONTROL

The Company has an established Internal Financial Control framework including internal controls over financial reporting and operating controls. The framework is reviewed regularly and tested by the internal audit team. The Company's business processes are enabled by the ERP for monitoring and reporting process resulting in financial discipline and accountability.

### OVERVIEW

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

### DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year, the Company recorded Revenue from Operations of ₹ 1266.94 Crores as against ₹1263.97 Crores in 2022-23, a marginal increase compared to previous year. Our Exports business registered a growth of 35% compared with previous year and stood at ₹ 445.27 Crores. Profit After Tax made during the year including exceptional item is ₹ 54.41 Crores as against ₹ 29.73 Crores in 2022-23, an increase of about 83%. The production during the year was 85,366 MT, compared to the previous year's 84,238 MT. During the year the sales has been affected due to slow down in the tractor sector and profitability improved due to better realization and increased exports.

### THE DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

| Sl. No. | Particulars                       | 2023-24 | 2022-23 |
|---------|-----------------------------------|---------|---------|
| (i)     | Debtors Turnover Ratio (months)   | 2.65    | 2.37    |
| (ii)    | Inventory Turnover Ratio (months) | 1.66    | 1.51    |
| (iii)   | Interest Coverage Ratio           | 2.61    | 2.29    |
| (iv)    | Current Ratio                     | 1.30    | 1.31    |
| (v)     | Debt Equity Ratio                 | 0.63    | 0.65    |
| (vi)    | Operating Profit Margin (%)       | 9.88    | 7.56    |
| (vii)   | Net Profit Margin (%)             | 4.33    | 2.36    |
| (viii)  | Return on Net Worth (%)           | 10.48   | 6.35    |

1. The increase in Operating Profit Margin is due to increase in profit.
2. The increase in Net Profit Margin is due to increase in profit.
3. The increase in Return on Net Worth is due to increase in profit.

## MANAGEMENT DISCUSSION AND ANALYSIS - (Contd.)

### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED**

Human Resource is a continuous and ever evolving function in our Company. The Company believes that human resources enable the organisation to consistently meet customer requirements and deliver exceptional performance for all stakeholders. The Company continues to maintain its record on cordial industrial relations. The Company believes that human resources are its most valuable assets and is thus committed to the welfare of its employees and their families. The Company continues to invest in people through various initiatives viz. training programmes, upgradation of knowledge etc which enable the work force to meet out the challenges. As on 31<sup>st</sup> March 2024, the employee strength of the Company was 1210.

### **HEALTH, SAFETY AND ENVIRONMENT**

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

### **CAUTIONARY STATEMENT**

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

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**STANDALONE  
FINANCIAL STATEMENTS  
2023-24**

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## AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS

### REPORT ON THE STANDALONE FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying standalone financial statements of **M/s. Nelcast Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flow for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at 31<sup>st</sup> March 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

#### Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility & Sustainability Report, Corporate Governance Report and Shareholder's information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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

### **Management's Responsibility for the Standalone Financial Statements**

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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 standalone 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 the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in 'Annexure-A' a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

2. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:  
 In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity (intermediaries), with the understanding directly or indirectly lend or invest in other persons or entity's identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries;

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

- (b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (funding parties), with the understanding whether recorded in writing or otherwise, that the company shall directly or indirectly lend or invest in other persons or entity's identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (c) Based on the audit procedures that have been considered that are reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As noted in the standalone financial statements
  - (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
  - (b) The Company has not declared any interim dividend during the year.
  - (c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicables.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31<sup>st</sup> March 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

**For K NAGARAJU & ASSOCIATES**

Chartered Accountants  
Firm Regn. No. 002270S

**K. NAGARAJU**

Partner  
Membership No. 024344

Place : Chennai

Date : 13<sup>th</sup> May 2024

UDIN : 24024344BKDBJA4486

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

**ANNEXURE A REFERRED TO IN OUR INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THE COMPANY ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024, WE REPORT THAT:**

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) The Company has a policy of physically verifying its Property, Plant and Equipment once in a year which in our opinion reasonable having regard to the size of the Company and the nature of its business. During the year Property, Plant and Equipment have been verified by the management at the year end and no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year.
- (e) There has been no proceeding initiated against the Company under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii. (a) According to information and explanations given to us, the management has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed on physical verification during the year.
- (b) During the year, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate from Banks on the basis of security of current assets and the monthly statements filed by the Company with such Banks are in agreement with the books of accounts.
- iii. (a) The Company has made investments in companies and not made any investment in firms, limited liability partnerships or any other parties and also not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year.
- (b) In our opinion, the investments made in companies during the year, prima facie, is not prejudicial to the interest of the Company.  
Since, the company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties, clauses 3iii(c),(d),(e) & (f) of the order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to Directors / to a Company in which the Director is interested to which provisions of Section 185 of the Act apply and hence not commented upon. The Company has made Investments in compliance with the provisions of Section 186 of the Act and the Company has not given any loans, guarantees and security to any party.
- v. The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at 31<sup>st</sup> March 2024 and therefore, the provisions of the clause 3 (v) of the Order is not applicable to the Company.

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

- vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government under Section 148(1) of the Act and are opinion that prima facie the prescribed accounts and cost records have been made and maintained.
- vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and any other statutory dues, as applicable, with the appropriate authorities and no dues were in arrears as at 31<sup>st</sup> March 2024 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company and on the basis of information and explanations given to us, there are no dues of income-tax, sales-tax, service tax, duty of customs, goods and services tax and which have not been deposited on account of any disputes. However, according to information and explanations given to us, the following dues of value added tax have not been deposited by the Company on account of disputes:

| <b>Name of Statute</b> | <b>Nature of Dues</b> | <b>Amount Involved<br/>(₹ in Lakhs)</b> | <b>Period to which the Amount Relates</b> | <b>Forum where Dispute is pending</b> |
|------------------------|-----------------------|---|---|---------------------------------------|
| Central Sales Tax      | CST                   | 15.34                                   | 2009-10                                   | Commissioner, Appeals, Vizag          |
| Value Added Tax        | VAT                   | 1.77                                    | 2016-17                                   | Commissioner, (Appeals) (CT)          |

- viii. During the audit period, there is no such transactions which were not recorded in the books of accounts have been surrendered or disclosed as Income during the Income Tax Assessments under the Income Tax Act, 1961.
- ix. (a) The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, government or dues to debenture holders.
- (b) The Company has not been declared as willful defaulter by any Bank or Financial Institution or Government or any Government Authority.
- (c) The Company has raised money by way of term loans during the current financial year and were applied for the purpose for which those were raised.
- (d) On the overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries and hence this clause is not applicable.

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

- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.  
(b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xi. (a) We have not noticed or reported any fraud by the Company or any fraud on the Company by its officers/ employees during the year.  
(b) No report has been filed by the Auditors in form ADT-4 under Section 143(12) of the Act, during the year.  
(c) There were no whistle blower complaints received by the Company during the year.
- xii. Clause 3 (xii) of the Order is not applicable as the Company is not a Nidhi Company.
- xiii. According to information and explanations given to us, all transactions with the related parties are in compliance with the provisions of Sections 177 and 188 of the Act, where ever applicable and the details have been disclosed in the standalone financial statements etc., as required by the applicable accounting standards.
- xiv. (a) The Company has in place an Internal Audit System commensurate with the size and nature of its business.  
(b) We have considered the Internal Audit Reports submitted to us for the audit year.
- xv. According to information and explanations given to us, the Company has not entered in to any non-cash transactions with directors or persons connected with him, accordingly the provisions of clause 3(xv) of the Order is not applicable to the Company.
- xvi. Clause 3(xvi) of the Order is not applicable as the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- xvii. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xviii. During the year, there has been no resignation of statutory auditors.
- xix. on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. (a) During the year, the Company has spent the required amount specified in Schedule VII of the Act in respect of other than ongoing projects under CSR.  
(b) The Company is not having any ongoing projects under CSR to spent and hence this clause is not applicable.

Place : Chennai  
Date : 13<sup>th</sup> May 2024

**For K NAGARAJU & ASSOCIATES**  
Chartered Accountants  
Firm Regn. No. 002270S  
**K. NAGARAJU**  
Partner  
Membership No. 024344

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

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

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

We have audited the internal financial controls over financial reporting of M/s.Nelcast Limited ("the Company") as of 31<sup>st</sup> March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**AUDITOR'S RESPONSIBILITY**

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

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

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



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

**MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

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

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

**OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For K NAGARAJU & ASSOCIATES**

Chartered Accountants  
Firm Regn. No. 002270S

**K. NAGARAJU**

Partner  
Membership No. 024344

Place : Chennai  
Date : 13<sup>th</sup> May 2024



**STANDALONE BALANCE SHEET AS AT**

| PARTICULARS   | Note No. | 31 <sup>st</sup> March 2024<br>(₹ in Lakhs) | 31 <sup>st</sup> March 2023<br>(₹ in Lakhs) |
|---|----------|---|---|
| <b>I. ASSETS</b>  |          |   |   |
| <b>A Non-Current Assets</b>                                     |          |   |   |
| Property, Plant and Equipment                                   | 2(i)     | 41911.21                                    | 43174.10                                    |
| Capital Work-in-Progress  | -        | 4376.57                                     | 104.49                                      |
| Other Intangible Assets   | 2(ii)    | 20.85                                       | 37.71                                       |
| Financial Assets:   |          |   |   |
| (i) Investments   | 3        | 5131.99                                     | 5005.89                                     |
| Other Non-Current Assets  | 4        | 752.95                                      | 220.12                                      |
| <b>Total Non-Current Assets</b>                                 |          | <b>52193.57</b>                             | <b>48542.31</b>                             |
| <b>B Current Assets</b>   |          |   |   |
| Inventories   | 5        | 18969.51                                    | 15819.21                                    |
| Financial Assets:   |          |   |   |
| (i) Trade Receivables   | 6        | 30089.18                                    | 25592.27                                    |
| (ii) Cash and Cash Equivalents                                  | 7        | 8485.78                                     | 10476.47                                    |
| (iii) Bank balances other than (ii) above                       | 8        | 8.17  | 8.64  |
| (iv) Other Financial Assets                                     | 9        | 2026.03                                     | 1762.34                                     |
| Current Tax Assets (Net)  | 10       | 208.32                                      | -   |
| Other Current Assets  | 11       | 910.19                                      | 374.34                                      |
| <b>Total Current Assets</b>                                     |          | <b>60697.18</b>                             | <b>54033.27</b>                             |
| <b>Total Assets</b>   |          | <b>112890.75</b>                            | <b>102575.58</b>                            |
| <b>II. EQUITY AND LIABILITIES</b>                               |          |   |   |
| <b>A Equity</b>   |          |   |   |
| Equity Share Capital  | 12       | 1740.02                                     | 1740.02                                     |
| Other Equity  | 13       | 50179.06                                    | 45100.04                                    |
| <b>Total Equity</b>   |          | <b>51919.08</b>                             | <b>46840.06</b>                             |
| <b>B Liabilities</b>  |          |   |   |
| <b>1 Non-Current Liabilities</b>                                |          |   |   |
| Financial Liabilities:  |          |   |   |
| (i) Borrowings  | 14       | 9795.11                                     | 10067.05                                    |
| Deferred Tax Liabilities (Net)                                  | 15       | 4601.59                                     | 4406.58                                     |
| <b>Total Non-Current Liabilities</b>                            |          | <b>14396.70</b>                             | <b>14473.63</b>                             |
| <b>2 Current Liabilities</b>                                    |          |   |   |
| Financial Liabilities:  |          |   |   |
| (i) Borrowings  | 16       | 23097.22                                    | 20300.70                                    |
| (ii) Trade Payables   | 17       |   |   |
| - Total outstanding dues of Micro & Small Enterprises           |          | 2456.74                                     | 3065.77                                     |
| - Total outstanding dues of Otherthan Micro & Small Enterprises |          | 18905.02                                    | 15201.78                                    |
| (iii) Other Financial Liabilities                               | 18       | 8.17  | 8.64  |
| Other Current Liabilities                                       | 19       | 1795.21                                     | 2198.37                                     |
| Provisions  | 20       | 312.61                                      | 322.57                                      |
| Current Tax Liabilities (Net)                                   | 21       | -   | 164.06                                      |
| <b>Total Current Liabilities</b>                                |          | <b>46574.97</b>                             | <b>41261.89</b>                             |
| <b>Total Liabilities</b>  |          | <b>60971.67</b>                             | <b>55735.52</b>                             |
| <b>Total Equity and Liabilities</b>                             |          | <b>112890.75</b>                            | <b>102575.58</b>                            |
| <b>Accounting Policies</b>                                      | 1        |   |   |

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

**As per our report of even date**  
**For K NAGARAJU & ASSOCIATES**

Chartered Accountants  
Firm Regn No. 002270S

**K. NAGARAJU**  
Partner  
Membership No. 024344

Place : Chennai  
Date : 13<sup>th</sup> May 2024

**For and on behalf of the Board**

**D. Sessa Reddy**  
Chairman  
DIN: 00520448

**A. Balasubramanian**  
Director  
DIN: 00490921

**P. Deepak**  
Managing Director  
DIN: 02785326  
**S. K. Sivakumar**  
Chief Financial Officer &  
Company Secretary

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED**

| PARTICULARS   | Note No. | 31 <sup>st</sup> March 2024<br>(₹ in Lakhs) | 31 <sup>st</sup> March 2023<br>(₹ in Lakhs) |
|---|----------|---|---|
| <b>Income:</b>  |          |   |   |
| I Revenue from Operations   | 22       | 126694.25                                   | 126397.42                                   |
| II Other Income   | 23       | 1427.35                                     | 1614.42                                     |
| III <b>Total Income (I+II)</b>  |          | <b>128121.60</b>                            | <b>128011.84</b>                            |
| <b>IV Expenses:</b>   |          |   |   |
| Cost of Materials Consumed  | 24       | 58708.69                                    | 63243.19                                    |
| Changes in Inventories of Finished Goods & Work-in-Progress                       | 25       | (2771.68)                                   | 95.90                                       |
| Employee Benefits Expense   | 26       | 7422.33                                     | 6425.36                                     |
| Finance Costs   | 27       | 3158.34                                     | 3117.96                                     |
| Depreciation & Amortisation Expense   | 28       | 2413.72                                     | 2401.05                                     |
| Other Expenses  | 29       | 54108.36                                    | 48696.68                                    |
| <b>Total Expenses</b>   |          | <b>123039.76</b>                            | <b>123980.14</b>                            |
| V <b>Profit Before Exceptional Items and Tax (III-IV)</b>                         |          | <b>5081.84</b>                              | <b>4031.70</b>                              |
| VI Exceptional Items  | 30       | 1779.79                                     | -   |
| VII <b>Profit Before Tax (V-VI)</b>   |          | <b>6861.63</b>                              | <b>4031.70</b>                              |
| <b>VIII Tax Expenses:</b>   |          |   |   |
| (1). Current Tax  | 31       | 1220.76                                     | 732.13                                      |
| (2). Defferred Tax  |          | 199.75                                      | 326.03                                      |
|   |          | <b>1420.51</b>                              | <b>1058.16</b>                              |
| IX <b>Profit for the Period (VII-VIII)</b>  |          | <b>5441.12</b>                              | <b>2973.54</b>                              |
| <b>X Other Comprehensive Income</b>   |          |   |   |
| A. (i) Items that will not be reclassified to Profit or Loss                      |          |   |   |
| - Remeasurement of Defined Benefit Plans  |          | 18.83                                       | 53.92                                       |
| (ii) Income tax relating to items that will not be reclassified to Profit or Loss |          | (4.74)                                      | (13.57)                                     |
| B. (i) Items that will be reclassified to Profit or Loss                          |          | -   | -   |
| (ii) Income tax relating to items that will be reclassified to Profit or Loss     |          | -   | -   |
| <b>Total Other Comprehensive Income, net of taxes</b>                             |          | <b>14.09</b>                                | <b>40.35</b>                                |
| XI <b>Total Comprehensive Income for the period (IX-X)</b>                        |          | <b>5427.03</b>                              | <b>2933.19</b>                              |
| <b>XII Earnings per Equity Share of ₹ 2/- each :</b>                              |          |   |   |
| (1). Basic  | 32       | <b>6.25</b>                                 | <b>3.42</b>                                 |
| (2). Diluted  |          | <b>6.25</b>                                 | <b>3.42</b>                                 |
| <b>Accounting Policies</b>  | <b>1</b> |   |   |

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

**As per our report of even date**

**For and on behalf of the Board**

**For K NAGARAJU & ASSOCIATES**

Chartered Accountants  
Firm Regn No. 002270S

**K. NAGARAJU**

Partner  
Membership No. 024344

**D. Sessa Reddy**

Chairman  
DIN: 00520448

**A. Balasubramanian**

Director  
DIN: 00490921

**P. Deepak**

Managing Director  
DIN: 02785326

**S. K. Sivakumar**

Chief Financial Officer &  
Company Secretary

Place : Chenani

Date : 13<sup>th</sup> May 2024

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED

| PARTICULARS  | 31 <sup>st</sup> March<br>2024<br>(₹ in Lakhs) | 31 <sup>st</sup> March<br>2023<br>(₹ in Lakhs) |
|--|--|--|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>            |  |  |
| <b>Net Profit Before Tax</b>                             | <b>6861.63</b>                                 | <b>4031.70</b>                                 |
| Adjustments for:   |  |  |
| Depreciation & Amortisation Expense                      | 2413.72  | 2401.05  |
| Interest Income  | (631.40)                                       | (393.62)                                       |
| (Profit)/Loss on sale of assets                          | (66.67)  | 38.22  |
| (Profit)/Loss on sale of investments                     | -  | (0.02)   |
| (Profit)/Loss from exceptional items                     | (1779.79)                                      | -  |
| Interest Paid  | 3158.34  | 3117.96  |
| Un-realised forex (Gain)/Loss                            | 54.18  | 144.60   |
| Remeasurement of Defined Benefit Plans                   | (18.83)  | (53.92)  |
|  | <b>3129.55</b>                                 | <b>5254.27</b>                                 |
| <b>Operating Profit before Working Capital Changes</b>   | <b>9991.18</b>                                 | <b>9285.97</b>                                 |
| Adjustment for:  |  |  |
| (Increase)/Decrease in Inventories                       | (3150.30)                                      | 53.51  |
| (Increase)/Decrease in Trade Receivables                 | (4493.54)                                      | (1567.70)                                      |
| (Increase)/Decrease in Other Financial Assets            | (263.69)                                       | (358.46)                                       |
| (Increase)/Decrease in Other Current Assets              | (535.84)                                       | 40.79  |
| (Increase)/Decrease in Other Non-Current Assets          | (532.83)                                       | (119.83)                                       |
| (Increase)/Decrease in Trade Payables                    | 3090.67  | 211.46   |
| (Increase)/Decrease in Other Financial Liabilities       | (130.48)                                       | 398.28   |
| (Increase)/Decrease in Other Current Liabilities         | (457.17)                                       | 500.37   |
| (Increase)/Decrease in Provisions                        | (9.96)   | 135.25   |
|  | <b>(6483.14)</b>                               | <b>(706.33)</b>                                |
| <b>Cash generated from Operations</b>                    | <b>3508.04</b>                                 | <b>8579.64</b>                                 |
| Taxes Paid   | (1593.14)                                      | (535.94)                                       |
| <b>Net Cash from Operating Activities</b>                | <b>TOTAL A</b><br><b>1914.90</b>               | <b>8043.70</b>                                 |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>             |  |  |
| Purchase of Property, Plant and Equipment                | (2084.24)                                      | (1945.18)                                      |
| Purchase of Other Intangible Assets                      | -  | (2.00)   |
| Proceeds from Sale of Property, Plant and Equipment      | 2796.72  | 356.50   |
| (Increase)/Decrease in Capital Work-In-Progress          | (4272.08)                                      | (43.61)  |
| Purchase of Non-Current Investments                      | (200.00)                                       | (1100.93)                                      |
| Proceeds from Sale of Non-Current Investments            | 73.90  | 2.36   |
| (Increase)/Decrease in Unpaid Dividend A/cs              | 0.47   | 0.78   |
| Interest Income  | 631.40   | 393.62   |
| <b>Net Cash from / (used in) in Investing Activities</b> | <b>TOTAL B</b><br><b>(3053.83)</b>             | <b>(2338.46)</b>                               |

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED (Contd.)**

| PARTICULARS   | 31 <sup>st</sup> March<br>2024<br>(₹ in Lakhs) | 31 <sup>st</sup> March<br>2023<br>(₹ in Lakhs) |
|---|--|--|
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>                        |  |  |
| Proceeds from Long-Term Borrowings                                  | 3000.00  | -  |
| Repayment of Long-Term Borrowings                                   | (3271.94)                                      | (3674.91)                                      |
| Interest paid   | (3158.34)                                      | (3117.96)                                      |
| Dividend Paid   | (348.01)                                       | (261.00)                                       |
| <b>Net Cash from / (used in) Financing Activities      TOTAL C</b>  | <b>(3778.29)</b>                               | <b>(7053.87)</b>                               |
| <br>  |  |  |
| <b>Net Increase / (Decrease) in Cash and Cash equivalents A+B+C</b> | <b>(4917.22)</b>                               | <b>(1348.63)</b>                               |
| <b>Cash and Cash equivalents at the beginning of the year</b>       |  |  |
| Cash and Bank Balances  | 10476.47                                       | 6135.04  |
| Cash Credit Balance   | (16938.93)                                     | (11248.87)                                     |
| <br>  |  |  |
| <b>Cash and Cash Equivalents at the end of the year</b>             |  |  |
| Cash and Bank Balances  | 8485.78  | 10476.47                                       |
| Cash Credit Balance   | (19865.46)                                     | (16938.93)                                     |
|   | <b>(11379.68)</b>                              | <b>(6462.46)</b>                               |

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

**As per our report of even date**

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

**K. NAGARAJU**  
Partner  
Membership No. 024344

**D. Sessa Reddy**  
Chairman  
DIN: 00520448

**A. Balasubramanian**  
Director  
DIN: 00490921

**For and on behalf of the Board**

**P. Deepak**  
Managing Director  
DIN: 02785326

**S. K. Sivakumar**  
Chief Financial Officer &  
Company Secretary

Place : Chennai  
Date : 13<sup>th</sup> May 2024

**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024**

| I. Equity Share Capital  | Note      | No. of Shares              | ₹ in Lakhs      |                   |                  |
|--|-----------|----------------------------|-----------------|-------------------|------------------|
| Equity Shares of ₹ 2/- each issued, subscribed and fully paid up |           |                            |                 |                   |                  |
| Balance as at 1 <sup>st</sup> April 2022                         | 12        | 87001200                   | 1740.02         |                   |                  |
| Changes in Equity Share Capital during the year                  |           | -                          | -               |                   |                  |
| <b>Balance as at 31<sup>st</sup> March 2023</b>                  | <b>12</b> | <b>87001200</b>            | <b>1740.02</b>  |                   |                  |
| Changes in Equity Share Capital during the year                  |           | -                          | -               |                   |                  |
| <b>Balance as at 31<sup>st</sup> March 2024</b>                  | <b>12</b> | <b>87001200</b>            | <b>1740.02</b>  |                   |                  |
| <b>II. Other Equity</b>  |           |                            |                 |                   |                  |
|  | Note      | Securities Premium Account | General Reserve | Retained Earnings | Total ₹ in Lakhs |
| Balance as at 1 <sup>st</sup> April 2022                         | 13        | 8774.13                    | 22500.00        | 11153.72          | 42427.85         |
| Profit for the period  |           | -                          | -               | 2973.54           | 2973.54          |
| Other Comprehensive Income                                       |           | -                          | -               | (40.35)           | (40.35)          |
| Transfer (to) / from Reserves                                    |           | -                          | -               | -                 | -                |
| <b>Transactions with owners in their capacity as owners:</b>     |           |                            |                 |                   |                  |
| Dividend paid  |           | -                          | -               | (261.00)          | (261.00)         |
| <b>Balance as at 31<sup>st</sup> March 2023</b>                  | <b>13</b> | <b>8774.13</b>             | <b>22500.00</b> | <b>13825.91</b>   | <b>45100.04</b>  |
| Profit for the period  |           | -                          | -               | 5441.12           | 5441.12          |
| Other Comprehensive Income                                       |           | -                          | -               | (14.09)           | (14.09)          |
| Transfer (to) / from Reserves                                    |           | -                          | -               | -                 | -                |
| <b>Transactions with owners in their capacity as owners:</b>     |           |                            |                 |                   |                  |
| Dividend paid  |           | -                          | -               | (348.01)          | (348.01)         |
| <b>Balance as at 31<sup>st</sup> March 2024</b>                  | <b>13</b> | <b>8774.13</b>             | <b>22500.00</b> | <b>18904.93</b>   | <b>50179.06</b>  |

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

**As per our report of even date**

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

**K. NAGARAJU**  
Partner  
Membership No. 024344

**For and on behalf of the Board**

**D. Sessa Reddy**  
Chairman  
DIN: 00520448

**A. Balasubramanian**  
Director  
DIN: 00490921

**P. Deepak**  
Managing Director  
DIN: 02785326  
**S. K. Sivakumar**  
Chief Financial Officer &  
Company Secretary

Place : Chennai  
Date : 13<sup>th</sup> May 2024

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

### GENERAL INFORMATION

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

### BASIS OF PREPARATION

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

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

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

The financial statements for the year ended 31<sup>st</sup> March 2024 were approved by the Board of Directors in their meeting held on 13<sup>th</sup> May 2024.

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

### 1.A. MATERIAL ACCOUNTING POLICIES

#### 1.1 PROPERTY, PLANT AND EQUIPMENT

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

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

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

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

### 1.2 INVENTORIES

Inventories are valued at the lower of cost and net realizable value. Cost is ascertained on weighted average basis. Cost includes cost of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Raw materials, Stores and Spares of inventory are measured at weighted average cost. Work-In-Progress and Finished Goods are valued at cost or net realizable value whichever is lower. Loose Tools, Moulding Boxes and Patterns are measured at cost less amortized value on a straight line basis over its useful life.

### 1.3 FINANCIAL INSTRUMENTS

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

#### **Non-derivative Financial Instruments**

(i) Financial assets carried at amortized cost

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

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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

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

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

(iv) Financial liabilities

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

### Derivative Financial Instruments

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

### 1.4 REVENUE RECOGNITION

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

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

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

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

### 1.5 SEGMENT INFORMATION

The Company is principally engaged only in the business of manufacture of Iron Castings and there are no other reportable segments. The geographical segments considered for disclosure based on location of its customers.



## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

### **1.B. OTHER ACCOUNTING POLICIES:**

#### **1.6 INTANGIBLE ASSETS**

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

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

#### **1.7 USE OF ESTIMATES**

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

#### **1.8 IMPAIRMENT OF ASSETS**

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

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

#### **1.9 INVESTMENTS**

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

#### **1.10 CASH AND CASH EQUIVALENTS**

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

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

### 1.11 LEASES

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

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

### 1.12 CONTRIBUTED EQUITY

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

### 1.13 DIVIDEND

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

### 1.14 GOVERNMENT GRANTS AND SUBSIDIES

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

### 1.15 FOREIGN CURRENCY TRANSACTION

#### Initial Recognition:

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

#### Subsequent Recognition:

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All monetary assets and liabilities in foreign currency are restated at the end of the accounting period. Exchange differences on restatement of all monetary items are recognised in the Statement of Profit and Loss.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

### 1.16 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale capitalized as part of the cost of an asset. Where specific borrowings are identified to assets, the Company uses the interest rates applicable to that specific borrowing as the capitalization rate. Where borrowings cannot be specifically identified to assets, the capitalization rate applied is the weighted average of the interest rates applicable to all borrowings of the Company.

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

### 1.17 TAXES

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

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

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

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

### 1.18 EMPLOYEE BENEFITS

#### a. Defined Contribution Plans

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

#### b. Defined Benefit Plan

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

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

### 1.19 EARNINGS PER SHARE

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

### 1.20 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

### 2. PROPERTY, PLANT & EQUIPMENT AND OTHER INTANGIBLE ASSETS

Year ended 31<sup>st</sup> March 2024

(₹ in Lakhs)

|                               | Gross Carrying Amount            |                |                | Depreciation / Amortisation       |                                  |                        | Net Carrying Amount |                                  |                                   |                                   |
|-------------------------------|----------------------------------|----------------|----------------|-----------------------------------|----------------------------------|------------------------|---------------------|----------------------------------|-----------------------------------|-----------------------------------|
|                               | As at 1 <sup>st</sup> April 2023 | Additions      | Disposals      | As at 31 <sup>st</sup> March 2024 | Upto 31 <sup>st</sup> March 2023 | Charge during the year | Disposals           | Upto 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2023 |
| (i). Property, Plant & Equip. |                                  |                |                |                                   |                                  |                        |                     |                                  |                                   |                                   |
| Freehold Land                 | 3354.11                          | 395.36         | 838.03         | 2911.44                           | -                                | -                      | -                   | -                                | 2911.44                           | 3354.11                           |
| Freehold Buildings            | 9942.82                          | 240.23         | -              | 10183.05                          | 1647.37                          | 426.32                 | -                   | 2073.69                          | 8109.36                           | 8295.45                           |
| Plant and Equipment           | 37604.13                         | 1394.28        | 311.70         | 38686.71                          | 6235.47                          | 1921.59                | 199.46              | 7957.60                          | 30729.11                          | 31368.66                          |
| Office Equipment              | 79.76                            | 25.33          | -              | 105.09                            | 53.63                            | 13.27                  | -                   | 66.90                            | 38.19                             | 26.13                             |
| Vehicles                      | 198.11                           | 7.85           | 2.76           | 203.20                            | 164.08                           | 10.36                  | 2.76                | 171.68                           | 31.52                             | 34.03                             |
| Furniture and Fittings        | 108.91                           | 19.07          | -              | 127.98                            | 29.27                            | 13.21                  | -                   | 42.48                            | 85.50                             | 79.64                             |
| Computers                     | 73.30                            | 2.12           | -              | 75.42                             | 57.22                            | 12.11                  | -                   | 69.33                            | 6.09                              | 16.08                             |
| <b>Total</b>                  | <b>51361.14</b>                  | <b>2084.24</b> | <b>1152.49</b> | <b>52292.89</b>                   | <b>8187.04</b>                   | <b>2396.86</b>         | <b>202.22</b>       | <b>10381.68</b>                  | <b>41911.21</b>                   | <b>43174.10</b>                   |
| (ii). Other Intangible Assets |                                  |                |                |                                   |                                  |                        |                     |                                  |                                   |                                   |
| Computer Software             | 153.91                           | -              | -              | 153.91                            | 116.20                           | 16.86                  | -                   | 133.06                           | 20.85                             | 37.71                             |
| <b>Total</b>                  | <b>51515.05</b>                  | <b>2084.24</b> | <b>1152.49</b> | <b>52446.80</b>                   | <b>8303.24</b>                   | <b>2413.72</b>         | <b>202.22</b>       | <b>10514.74</b>                  | <b>41932.06</b>                   | <b>43211.81</b>                   |

| Particulars | As at 1 <sup>st</sup> April 2023 | Additions | Capitalised during the year | As at 1 <sup>st</sup> March 2024 |
|-------------|----------------------------------|-----------|-----------------------------|----------------------------------|
|             | Capital Work-in-Progress         | 104.49    | 5581.70                     | 1309.62                          |

| Particulars                        | Amount in CWIP as at 31 <sup>st</sup> March 2024 |          |               | Total   |
|------------------------------------|--|----------|---------------|---------|
|                                    | < 1Y   | 1Y to 2Y | 2Y to 3Y > 3Y |         |
| i. projects in progress            | 4376.57  | -        | -             | 4376.57 |
| ii. projects temporarily suspended | -  | -        | -             | -       |

- Borrowing costs capitalized during the year for the assets held under Capital Work-in-progress is ₹ 130.34 Lakhs (31<sup>st</sup> March 2023: ₹ Nil)
- Details of security of property, plant and equipment subject to charge to secured borrowings is given in Note No. 33.
- The title deeds of immovable properties are held in the name of the Company.
- Capital Work-in-Progress whose completion is overdue or has exceeded its cost compared to its original plan as on 31<sup>st</sup> March 2024 is ₹ Nil (31<sup>st</sup> March 2023: ₹ Nil)

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

**2. PROPERTY, PLANT & EQUIPMENT AND OTHER INTANGIBLE ASSETS**

Year ended 31<sup>st</sup> March 2023

(₹ in Lakhs)

|                               | Gross Carrying Amount            |                |                | Depreciation / Amortisation       |                                  |                        | Net Carrying Amount |                                  |                                   |                                   |
|-------------------------------|----------------------------------|----------------|----------------|-----------------------------------|----------------------------------|------------------------|---------------------|----------------------------------|-----------------------------------|-----------------------------------|
|                               | As at 1 <sup>st</sup> April 2022 | Additions      | Disposals      | As at 31 <sup>st</sup> March 2023 | Upto 31 <sup>st</sup> March 2022 | Charge during the year | Disposals           | Upto 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2022 |
| (i). Property, Plant & Equip. |                                  |                |                |                                   |                                  |                        |                     |                                  |                                   |                                   |
| Freehold Land                 | 3348.52                          | 5.59           | -              | 3354.11                           | -                                | -                      | -                   | -                                | 3354.11                           | 3348.52                           |
| Freehold Buildings            | 9551.09                          | 391.73         | -              | 9942.82                           | 1237.94                          | 409.43                 | -                   | 1647.37                          | 8295.45                           | 8313.15                           |
| Plant and Equipment           | 37234.01                         | 1489.27        | 1119.15        | 37604.13                          | 5037.29                          | 1922.61                | 724.43              | 6235.47                          | 31368.66                          | 32196.72                          |
| Office Equipment              | 66.06                            | 13.70          | -              | 79.76                             | 40.37                            | 13.26                  | -                   | 53.63                            | 26.13                             | 25.69                             |
| Vehicles                      | 198.11                           | -              | -              | 198.11                            | 153.64                           | 10.44                  | -                   | 164.08                           | 34.03                             | 44.47                             |
| Furniture and Fittings        | 72.21                            | 36.70          | -              | 108.91                            | 19.17                            | 10.10                  | -                   | 29.27                            | 79.64                             | 53.04                             |
| Computers                     | 65.11                            | 8.19           | -              | 73.30                             | 41.93                            | 15.29                  | -                   | 57.22                            | 16.08                             | 23.18                             |
|                               | 50535.11                         | 1945.18        | 1119.15        | 51361.14                          | 6530.34                          | 2381.13                | 724.43              | 8187.04                          | 43174.10                          | 44004.77                          |
| (ii). Other Intangible Assets |                                  |                |                |                                   |                                  |                        |                     |                                  |                                   |                                   |
| Computer Software             | 151.91                           | 2.00           | -              | 153.91                            | 96.28                            | 19.92                  | -                   | 116.20                           | 37.71                             | 55.63                             |
| <b>Total</b>                  | <b>50687.02</b>                  | <b>1947.18</b> | <b>1119.15</b> | <b>51515.05</b>                   | <b>6626.62</b>                   | <b>2401.05</b>         | <b>724.43</b>       | <b>8303.24</b>                   | <b>43211.81</b>                   | <b>44060.40</b>                   |

| Particulars | As at 1 <sup>st</sup> April 2022 | Additions | Capitalised during the year | As at 1 <sup>st</sup> March 2023 |
|-------------|----------------------------------|-----------|-----------------------------|----------------------------------|
|             | Capital Work-in-Progress         | 60.88     | 1481.84                     | 1438.23                          |

| Particulars                        | Amount in CWP as at 31 <sup>st</sup> March 2023 |          |      | Total  |
|------------------------------------|---|----------|------|--------|
|                                    | < 1Y  | 1Y to 2Y | > 3Y |        |
| i. projects in progress            | 104.49  | -        | -    | 104.49 |
| ii. projects temporarily suspended | -   | -        | -    | -      |

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

|   | 31 <sup>st</sup> March 2024<br>(₹ in Lakhs) | 31 <sup>st</sup> March 2023<br>(₹ in Lakhs) |
|---|---|---|
| <b>3. INVESTMENTS</b>                                   |   |   |
| Trade, Unquoted - At Cost - Fully Paid-Up               |   |   |
| Investment in Equity Instruments:                       |   |   |
| Subsidiaries :  |   |   |
| - NC Energy Limited                                     | 3860.00                                     | 3860.00                                     |
| 3,86,00,000 (P.Y. 3,86,00,000)                          |   |   |
| Equity shares of ₹ 10/- each                            |   |   |
| Others:   |   |   |
| - Suzlon Engitech Ltd                                   | 5.99  | 5.99  |
| 59,903 (P.Y. 59,903) Equity shares of ₹ 10/- each       |   |   |
| - Watsun Infrabuild Pvt Ltd                             |   |   |
| 3,50,200 (P.Y. 3,50,200) Equity shares of ₹ 10/- each   | 35.02                                       | 35.02                                       |
| - Atria Wind Power Pvt Ltd                              |   |   |
| 2,67,147 (P.Y. 2,67,147) Equity shares of ₹ 100/- each  | 699.93                                      | 699.93                                      |
| - SSKS Power Pvt Ltd                                    |   |   |
| 1,45,860 (P.Y. 1,45,860) Equity shares of ₹ 100/- each  | 145.86                                      | 145.86                                      |
| - Dalavaipuram Renewables Pvt Ltd                       |   |   |
| 18,51,966 (P.Y. 25,90,934) Equity shares of ₹ 10/- each | 185.19                                      | 259.09                                      |
| - Atria Wind (Kadambur) Pvt Ltd                         |   |   |
| 90,000 (P.Y. Nil) Equity shares of ₹ 10/- each          | 198.00                                      | -   |
| - Blyth Wind Park Pvt Ltd                               |   |   |
| 10,000 (P.Y. Nil) Equity shares of ₹ 10/- each          | 2.00  | -   |
| <b>Total</b>  | <b>5131.99</b>                              | <b>5005.89</b>                              |

| Particulars  | As at 31.03.2024 |                 | As at 31.03.2023 |                 |
|--|------------------|-----------------|------------------|-----------------|
|  | At Cost          | At Market Value | At Cost          | At Market Value |
| (a). Aggregate amount of quoted investments and market value thereof | -                | -               | -                | -               |
| (b). Aggregate amount of unquoted investments                        | 5131.99          | -               | 5005.89          | -               |
| (c). Aggregate amount of impairment in value of investments          | -                | -               | -                | -               |
|  | <b>5131.99</b>   | -               | <b>5005.89</b>   | -               |

|                                    |               |               |
|------------------------------------|---------------|---------------|
| <b>4. OTHER NON-CURRENT ASSETS</b> |               |               |
| (Unsecured, Considered Good)       |               |               |
| Capital Advances                   | 752.95        | 220.12        |
| <b>Total</b>                       | <b>752.95</b> | <b>220.12</b> |

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

|  | 31 <sup>st</sup> March 2024<br>(₹ in Lakhs) | 31 <sup>st</sup> March 2023<br>(₹ in Lakhs) |
|--|---|---|
| <b>5. INVENTORIES</b>  |   |   |
| Raw Materials  | 3430.54                                     | 3363.04                                     |
| Work-in-progress   | 3975.54                                     | 4511.57                                     |
| Finished Goods   | 9483.88                                     | 6176.17                                     |
| Stores and Spares  | 1054.30                                     | 651.00                                      |
| Loose Tools  | 730.44                                      | 896.47                                      |
| Moulding Boxes & Patterns  | 294.81                                      | 220.96                                      |
| <b>Total</b>   | <b><u>18969.51</u></b>                      | <b><u>15819.21</u></b>                      |
| > Valued at lower of cost and net realisable value               |   |   |
| <b>6. TRADE RECEIVABLES</b>                                      |   |   |
| Secured, Considered Good   | -   | -   |
| Unsecured, Considered Good                                       | 30089.18                                    | 25592.27                                    |
| Trade Receivables which have significant increase in credit risk | -   | -   |
| Trade Receivables, Credit Impaired                               | -   | -   |
| (Less): Allowance for bad and doubtful debts                     | -   | -   |
| <b>Total</b>   | <b><u>30089.18</u></b>                      | <b><u>25592.27</u></b>                      |

| TRADE RECEIVABLES AGEING SCHEDULE                                       | Not Due         | O/s for following periods from due date of payment<br>as at 31 <sup>st</sup> March 2024 |               |          |          |          | Total           |
|---|-----------------|---|---------------|----------|----------|----------|-----------------|
|   |                 | < 6M  | 6M to 1Y      | 1Y to 2Y | 2Y to 3Y | >3Y      |                 |
| <b>Particulars</b>  |                 |   |               |          |          |          |                 |
| <b>Secured, Considered Good</b>   |                 |   |               |          |          |          |                 |
| Disputed  | -               | -   | -             | -        | -        | -        | -               |
| Undisputed  | -               | -   | -             | -        | -        | -        | -               |
| <b>Unsecured, Considered Good</b>                                       |                 |   |               |          |          |          |                 |
| Disputed  | -               | -   | -             | -        | -        | -        | -               |
| Undisputed  | 23782.67        | 6116.88   | 189.63        | -        | -        | -        | <b>30089.18</b> |
| <b>Trade Receivables which have significant increase in credit risk</b> |                 |   |               |          |          |          |                 |
| Undisputed  | -               | -   | -             | -        | -        | -        | -               |
| Disputed  | -               | -   | -             | -        | -        | -        | -               |
| <b>Trade Receivables, Credit Impaired</b>                               |                 |   |               |          |          |          |                 |
| Undisputed  | -               | -   | -             | -        | -        | -        | -               |
| Disputed  | -               | -   | -             | -        | -        | -        | -               |
| (Less): Allowance for bad and doubtful debts                            | -               | -   | -             | -        | -        | -        | -               |
| <b>Total</b>  | <b>23782.67</b> | <b>6116.88</b>  | <b>189.63</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>30089.18</b> |



**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

| TRADE RECEIVABLES AGEING SCHEDULE   | Not Due         | O/s for following periods from due date of payment<br>as at 31 <sup>st</sup> March 2023 |              |          |          |     | Total           |
|---|-----------------|---|--------------|----------|----------|-----|-----------------|
|   |                 | < 6M  | 6M to 1Y     | 1Y to 2Y | 2Y to 3Y | >3Y |                 |
| <b>Secured, Considered Good</b>   |                 |   |              |          |          |     |                 |
| Disputed  | -               | -   | -            | -        | -        | -   | -               |
| Undisputed  | -               | -   | -            | -        | -        | -   | -               |
| <b>Unsecured, Considered Good</b>   |                 |   |              |          |          |     |                 |
| Disputed  | -               | -   | -            | -        | -        | -   | -               |
| Undisputed  | 21492.48        | 4015.57   | 84.22        | -        | -        | -   | <b>25592.27</b> |
| <b>Trade Receivables which have significant<br/>increase in credit risk</b> |                 |   |              |          |          |     |                 |
| Undisputed  | -               | -   | -            | -        | -        | -   | -               |
| Disputed  | -               | -   | -            | -        | -        | -   | -               |
| <b>Trade Receivables, Credit Impaired</b>                                   |                 |   |              |          |          |     |                 |
| Undisputed  | -               | -   | -            | -        | -        | -   | -               |
| Disputed  | -               | -   | -            | -        | -        | -   | -               |
| (Less): Allowance for bad and doubtful debts                                | -               | -   | -            | -        | -        | -   | -               |
| <b>Total</b>  | <b>21492.48</b> | <b>4015.57</b>  | <b>84.22</b> | -        | -        | -   | <b>25592.27</b> |

|  | 31 <sup>st</sup> March 2024<br>(₹ in Lakhs) | 31 <sup>st</sup> March 2023<br>(₹ in Lakhs) |
|--|---|---|
| <b>7. CASH AND CASH EQUIVALENTS</b>                              |   |   |
| <b>Balances with Banks:</b>                                      |   |   |
| - In Current Accounts  | 499.06                                      | 1766.72                                     |
| - Short Term Fixed Deposits                                      | 7985.90                                     | 8707.49                                     |
| Cash on Hand   | 0.82  | 2.26  |
| <b>Total</b>   | <b>8485.78</b>                              | <b>10476.47</b>                             |
| <b>8. BANK BALANCES OTHER THAN (7) ABOVE</b>                     |   |   |
| Unpaid Dividend Accounts   | 8.17  | 8.64  |
| <b>Total</b>   | <b>8.17</b>                                 | <b>8.64</b>                                 |
| <b>9. OTHER FINANCIAL ASSETS</b>                                 |   |   |
| Deposits with Govt. Authorities                                  | 1781.01                                     | 1598.54                                     |
| Accrued Interest on Deposits                                     | 106.05                                      | 94.83                                       |
| Export Incentives receivable & Scrip/Licence Balance             | 138.97                                      | 68.97                                       |
| <b>Total</b>   | <b>2026.03</b>                              | <b>1762.34</b>                              |
| <b>10. CURRENT TAX ASSETS (NET)</b>                              |   |   |
| Advance Tax, TDS & TCS (net of provision)                        | 208.32                                      | -   |
| <b>Total</b>   | <b>208.32</b>                               | <b>-</b>                                    |
| <b>11. OTHER CURRENT ASSETS<br/>(Unsecured, Considered Good)</b> |   |   |
| Balances with Govt. / Statutory Authorities                      | 548.39                                      | 7.37  |
| Prepaid Expenses   | 22.53                                       | 31.04                                       |
| Rental Advance   | 66.00                                       | 66.00                                       |
| Advances for Supplies & Services                                 | 267.48                                      | 265.13                                      |
| Advances given to Employees                                      | 5.79  | 4.80  |
| <b>Total</b>   | <b>910.19</b>                               | <b>374.34</b>                               |

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

**12. EQUITY SHARE CAPITAL**

|   | Number<br>of Shares | ₹<br>in Lakhs |
|---|---------------------|---------------|
| <b>Authorised:</b>                        |                     |               |
| Equity Share of ₹ 2/- each                |                     |               |
| <b>As at 1<sup>st</sup> April 2022</b>    | 125000000           | 2500.00       |
| Changes during the year                   | -                   | -             |
| <b>As at 31<sup>st</sup> March 2023</b>   | 125000000           | 2500.00       |
| Changes during the year                   | -                   | -             |
| <b>As at 31<sup>st</sup> March 2024</b>   | 125000000           | 2500.00       |
| <b>Issued, Subscribed and Paidup:</b>     |                     |               |
| Equity Share of ₹ 2/- each                |                     |               |
| <b>As at 1<sup>st</sup> April 2022</b>    | 87001200            | 1740.02       |
| Changes during the year                   | -                   | -             |
| <b>As at 31<sup>st</sup> March 2023</b>   | 87001200            | 1740.02       |
| Changes during the year                   | -                   | -             |
| <b>As at 31<sup>st</sup> March 2024</b>   | 87001200            | 1740.02       |
| <b>Movements in Equity Share Capital:</b> |                     |               |
| <b>As at 1<sup>st</sup> April 2022</b>    | 87001200            | 1740.02       |
| <b>As at 31<sup>st</sup> March 2023</b>   | 87001200            | 1740.02       |
| <b>As at 31<sup>st</sup> March 2024</b>   | 87001200            | 1740.02       |

**Rights, preferences and restrictions on equity shares:**

The Company has only one class of equity shares having a par value of ₹ 2/- per share.

Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian Rupees.

During the financial year 2023-24, ₹ 0.40 per share of ₹ 2/- has been paid as final dividend for the financial year 2022-23.

The Board of Directors have recommended a dividend of ₹ 0.40 per share of ₹ 2/- each for the year ended 31<sup>st</sup> March 2024 subject to the Shareholder's approval.

In the event of liquidation of the Company, the shareholders will be entitled to receive the remaining assets of the Company, in proportion to their shareholding.

**Details of equity shareholders holding more than 5% :**

| Name of the shareholder | As at 31.03.2024 |              | As at 31.03.2023 |              |
|-------------------------|------------------|--------------|------------------|--------------|
|                         | No. of shares    | %            | No. of shares    | %            |
| P. Deepak               | 34480000         | 39.63        | 34480000         | 39.63        |
| P. Deepak (HUF)         | 14500000         | 16.67        | 14500000         | 16.67        |
| P. Divya                | 16154249         | 18.57        | 16154249         | 18.57        |
|                         | <b>65134249</b>  | <b>74.87</b> | <b>65134249</b>  | <b>74.87</b> |

**Details of equity shares held by Promoters :**

| Name of the shareholder | As at 31.03.2024 |              |                             | As at 31.03.2023 |              |                             |
|-------------------------|------------------|--------------|-----------------------------|------------------|--------------|-----------------------------|
|                         | No. of shares    | %            | % change<br>during the year | No. of shares    | %            | % change<br>during the year |
| P. Deepak               | 34480000         | 39.63        | 0.00                        | 34480000         | 39.63        | 0.00                        |
| P. Deepak (HUF)         | 14500000         | 16.67        | 0.00                        | 14500000         | 16.67        | 0.00                        |
| P. Divya                | 16154249         | 18.57        | 0.00                        | 16154249         | 18.57        | 0.00                        |
|                         | <b>65134249</b>  | <b>74.87</b> | <b>0.00</b>                 | <b>65134249</b>  | <b>74.87</b> | <b>0.00</b>                 |

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

|  | 31 <sup>st</sup> March 2024<br>(₹ in Lakhs) | 31 <sup>st</sup> March 2023<br>(₹ in Lakhs) |
|--|---|---|
| <b>13. OTHER EQUITY</b>                      |   |   |
| Securities Premium Account                   | 8774.13                                     | 8774.13                                     |
| General Reserve                              | 22500.00                                    | 22500.00                                    |
| Retained Earnings                            | 18904.93                                    | 13825.91                                    |
| <b>Total Reserves and Surplus</b>            | <b><u>50179.06</u></b>                      | <b><u>45100.04</u></b>                      |
| <b>Securities Premium Account</b>            |   |   |
| Opening Balance                              | 8774.13                                     | 8774.13                                     |
| Additions during the year                    | -   | -   |
| (Deductions) / (Adjustments) during the year | -   | -   |
| <b>Closing Balance</b>                       | <b><u>8774.13</u></b>                       | <b><u>8774.13</u></b>                       |
| <b>General Reserve</b>                       |   |   |
| Opening Balance                              | 22500.00                                    | 22500.00                                    |
| Additions during the year                    | -   | -   |
| (Deductions) / (Adjustments) during the year | -   | -   |
| <b>Closing Balance</b>                       | <b><u>22500.00</u></b>                      | <b><u>22500.00</u></b>                      |
| <b>Retained Earnings</b>                     |   |   |
| Opening Balance                              | 13825.91                                    | 11153.72                                    |
| Total Comprehensive Income for the period    | 5427.03                                     | 2933.19                                     |
| <b>Amount available for Appropriation</b>    | <b><u>19252.94</u></b>                      | <b><u>14086.91</u></b>                      |
| <b>Appropriations:</b>                       |   |   |
| - Dividend on Equity Shares                  | 348.01                                      | 261.00                                      |
| <b>Closing Balance</b>                       | <b><u>18904.93</u></b>                      | <b><u>13825.91</u></b>                      |
| <b>14. BORROWINGS</b>                        |   |   |
| Term Loan from Banks<br>(Refer Note No.33)   | 9795.11                                     | 10067.05                                    |
| <b>Total</b>                                 | <b><u>9795.11</u></b>                       | <b><u>10067.05</u></b>                      |

Notes:

- Securities premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 for the specified purposes.
- General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

|  | 31 <sup>st</sup> March 2024<br>(₹ in Lakhs) | 31 <sup>st</sup> March 2023<br>(₹ in Lakhs) |
|--|---|---|
| <b>15. DEFERRED TAX LIABILITIES (NET)</b>                                  |   |   |
| Deferred Tax Liability :   |   |   |
| - Property, Plant & Equipment and Other Intangible Assets                  | 4678.35                                     | 4476.43                                     |
| Deferred Tax Asset :   |   |   |
| - Employee benefits  | (76.76)                                     | (69.85)                                     |
| <b>Total</b>   | <b>4601.59</b>                              | <b>4406.58</b>                              |
| <b>16. BORROWINGS</b>  |   |   |
| Secured Loans Repayable on Demand to Banks:                                |   |   |
| - Working Capital Loans (Refer Note No.33)                                 | 19865.46                                    | 16938.93                                    |
| Current Maturities of Long-Term Debt:                                      |   |   |
| - Term Loans from Banks (Refer Note No.33)                                 | 3231.76                                     | 3361.77                                     |
| <b>Total</b>   | <b>23097.22</b>                             | <b>20300.70</b>                             |
| <b>17. TRADE PAYABLES</b>  |   |   |
| Trade Payables:  |   |   |
| Total outstanding dues of Micro and Small Enterprises (Refer Note No.40)   | 2456.74                                     | 3065.77                                     |
| Total outstanding dues of creditors other than Micro and Small Enterprises | 18905.02                                    | 15201.78                                    |
| <b>Total</b>   | <b>21361.76</b>                             | <b>18267.55</b>                             |

| TRADE PAYABLES AGEING SCHEDULE           | Not Due         | O/s for following periods from due date of payment as at 31 <sup>st</sup> March 2024 |          |          |     |                 |
|--|-----------------|--|----------|----------|-----|-----------------|
| Particulars                              |                 | <1Y  | 1Y to 2Y | 2Y to 3Y | >3Y | Total           |
| i. undisputed, Micro & Small Enterprises | 2456.74         | -  | -        | -        | -   | 2456.74         |
| ii. undisputed, Others                   | 18532.26        | 372.76   | -        | -        | -   | 18905.02        |
| iii. disputed, Micro & Small Enterprises | -               | -  | -        | -        | -   | -               |
| iv. disputed, Others                     | -               | -  | -        | -        | -   | -               |
| <b>Total</b>                             | <b>20989.00</b> | <b>372.76</b>  | -        | -        | -   | <b>21361.76</b> |

| TRADE PAYABLES AGEING SCHEDULE           | Not Due         | O/s for following periods from due date of payment as at 31 <sup>st</sup> March 2023 |          |          |     |                 |
|--|-----------------|--|----------|----------|-----|-----------------|
| Particulars                              |                 | <1Y  | 1Y to 2Y | 2Y to 3Y | >3Y | Total           |
| i. undisputed, Micro & Small Enterprises | 3065.77         | -  | -        | -        | -   | 3065.77         |
| ii. undisputed, Others                   | 15085.67        | 116.11   | -        | -        | -   | 15201.78        |
| iii. disputed, Micro & Small Enterprises | -               | -  | -        | -        | -   | -               |
| iv. disputed, Others                     | -               | -  | -        | -        | -   | -               |
| <b>Total</b>                             | <b>18151.44</b> | <b>116.11</b>  | -        | -        | -   | <b>18267.55</b> |

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

|   | 31 <sup>st</sup> March 2024<br>(₹ in Lakhs) | 31 <sup>st</sup> March 2023<br>(₹ in Lakhs) |
|---|---|---|
| <b>18. OTHER FINANCIAL LIABILITIES</b>                |   |   |
| Unpaid Dividends                                      | 8.17  | 8.64  |
| <b>Total</b>  | <b>8.17</b>                                 | <b>8.64</b>                                 |
| <b>19. OTHER CURRENT LIABILITIES</b>                  |   |   |
| Statutory Dues  | 504.93                                      | 912.81                                      |
| Advances received from Customers                      | 329.84                                      | 366.75                                      |
| Outstanding Expenses                                  | 960.44                                      | 918.81                                      |
| <b>Total</b>  | <b>1795.21</b>                              | <b>2198.37</b>                              |
| <b>20. PROVISIONS</b>                                 |   |   |
| Provision for Employee Benefits:                      |   |   |
| - Gratuity  | 121.33                                      | 144.23                                      |
| - Bonus   | 191.28                                      | 178.43                                      |
| <b>Total</b>  | <b>312.61</b>                               | <b>322.57</b>                               |
| <b>21. CURRENT TAX LIABILITIES (NET)</b>              |   |   |
| Provision for Income Tax (Net of Adv. Tax, TDS & TCS) | -   | 164.06                                      |
| <b>Total</b>  | <b>-</b>                                    | <b>164.06</b>                               |

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

|   | 31 <sup>st</sup> March 2024<br>(₹ in Lakhs) | 31 <sup>st</sup> March 2023<br>(₹ in Lakhs) |
|---|---|---|
| <b>22. REVENUE FROM OPERATIONS</b>  |   |   |
| Sale of Products  | 125756.51                                   | 125802.84                                   |
| Export Incentives   | 937.74                                      | 594.58                                      |
| <b>Total</b>  | <b>126694.25</b>                            | <b>126397.42</b>                            |
| <b>23. OTHER INCOME</b>   |   |   |
| Interest Income   | 631.40                                      | 393.62                                      |
| Gain on Foreign Currency Transaction (Net)  | 729.28                                      | 1220.78                                     |
| Gain on sale of assets  | 66.67                                       | -   |
| Gain on Sale of Investments   | -   | 0.02  |
| <b>Total</b>  | <b>1427.35</b>                              | <b>1614.42</b>                              |
| <b>24. COST OF MATERIALS CONSUMED</b>   |   |   |
| Raw Materials at the beginning of the year  | 3363.04                                     | 3028.53                                     |
| Add: Purchases  | 58776.19                                    | 63577.70                                    |
| (Less): Raw Materials at the end of the year  | (3430.54)                                   | (3363.04)                                   |
| <b>Cost of Materials Consumed</b>   | <b>58708.69</b>                             | <b>63243.19</b>                             |
| <b>25. CHANGES IN INVENTORIES OF FINISHED GOODS (FG) &amp; WORK-IN-PROGRESS (WIP)</b> |   |   |
| <b>Closing Stock</b>  |   |   |
| Finished Goods  | 9483.88                                     | 6176.17                                     |
| Work-In-Progress  | 3975.54                                     | 4511.57                                     |
|   | <b>13459.42</b>                             | <b>10687.74</b>                             |
| <b>Opening Stock</b>  |   |   |
| Finished Goods  | 6176.17                                     | 6052.82                                     |
| Work-In-Progress  | 4511.57                                     | 4730.82                                     |
|   | <b>10687.74</b>                             | <b>10783.64</b>                             |
| <b>Changes in Inventories of FG &amp; WIP</b>   | <b>(2771.68)</b>                            | <b>95.90</b>                                |
| <b>26. EMPLOYEE BENEFITS EXPENSE</b>  |   |   |
| Salaries, Wages and Bonus   | 6416.35                                     | 5573.65                                     |
| Contribution to Provident and Other Funds   | 532.85                                      | 476.86                                      |
| Staff Welfare Expenses  | 473.13                                      | 374.85                                      |
| <b>Total</b>  | <b>7422.33</b>                              | <b>6425.36</b>                              |

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

|  | 31 <sup>st</sup> March 2024<br>(₹ in Lakhs) | 31 <sup>st</sup> March 2023<br>(₹ in Lakhs) |
|--|---|---|
| <b>27. FINANCE COSTS</b>                           |   |   |
| Interest Expense                                   | 2424.31                                     | 2377.15                                     |
| Other Borrowing Costs                              | 734.03                                      | 740.81                                      |
| <b>Total</b>                                       | <b>3158.34</b>                              | <b>3117.96</b>                              |
| <b>28. DEPRECIATION &amp; AMORTISATION EXPENSE</b> |   |   |
| Property, Plant and Equipment                      | 2396.86                                     | 2381.13                                     |
| Other Intangible Assets                            | 16.86                                       | 19.92                                       |
| <b>Total</b>                                       | <b>2413.72</b>                              | <b>2401.05</b>                              |
| <b>29. OTHER EXPENSES</b>                          |   |   |
| Consumption of Stores and Spares                   | 3957.14                                     | 4177.78                                     |
| Fettling and Other Manufacturing Expenses          | 21848.55                                    | 17845.18                                    |
| Power and Fuel                                     | 13333.37                                    | 12598.34                                    |
| Freight and Forwarding Charges                     | 7429.66                                     | 8031.76                                     |
| Repairs and Maintenance:                           |   |   |
| - Plant and Machinery                              | 3226.91                                     | 2658.53                                     |
| - Buildings  | 175.51                                      | 76.35                                       |
| Rent   | 144.01                                      | 139.71                                      |
| Insurance  | 287.32                                      | 176.75                                      |
| Rates and taxes                                    | 36.34                                       | 31.81                                       |
| Printing and Stationery                            | 31.21                                       | 32.95                                       |
| Travelling and Conveyance                          | 293.34                                      | 266.32                                      |
| CSR Expenses (Refer Note No. 34)                   | 45.04                                       | 46.27                                       |
| Advertisement                                      | 2.75  | 2.20  |
| Legal and Professional Charges                     | 140.80                                      | 117.70                                      |
| Communication Charges                              | 20.68                                       | 19.83                                       |
| Payment to Auditors:                               |   |   |
| - Audit Fee  | 16.00                                       | 16.00                                       |
| - Tax Audit Fee                                    | 3.00  | 3.00  |
| Sitting Fee to Directors                           | 18.90                                       | 16.70                                       |
| Books, Periodicals & Subscriptions                 | 14.07                                       | 13.99                                       |
| Vehicle and Office Maintenance                     | 136.00                                      | 114.13                                      |
| Selling Expenses                                   | 2941.12                                     | 2266.38                                     |
| Loss on Assets Sold/Scrapped (Net)                 | -   | 38.22                                       |
| Miscellaneous Expenses                             | 6.64  | 6.78  |
| <b>Total</b>                                       | <b>54108.36</b>                             | <b>48696.68</b>                             |

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

- 30.** The Company has Exceptional Items for an amount of ₹ 1779.79 Lakhs on account of profit on sale of surplus land which is part of Property, Plant & Equipment during the year ended 31<sup>st</sup> March 2024 (₹ Nil for the year ended 31<sup>st</sup> March 2023).

**31. TAX EXPENSES**

The major components of Income Tax are given below:

|  | (₹ in Lakhs)                |                             |
|--|-----------------------------|-----------------------------|
| Particulars  | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
| <b>Profit or Loss:</b>   |                             |                             |
| Current Tax:   |                             |                             |
| Current Income Tax Charge  | 1220.76                     | 732.13                      |
| Adjustment of current tax of previous year                                     | -                           | -                           |
| <b>Total</b>   | <b>-</b>                    | <b>-</b>                    |
| Deferred Tax:  |                             |                             |
| Relating to the origination and reversal of temporary differences              | 199.75                      | 326.03                      |
| <b>Income tax expense reported in the Statement of Profit and Loss</b>         | <b>1420.51</b>              | <b>1058.16</b>              |
| <b>Other Comprehensive Income:</b>   |                             |                             |
| Current Tax:   |                             |                             |
| Tax related to items recognised in other comprehensive income during the year: |                             |                             |
| Remeasurement of Defined Benefit Plans   | (4.74)                      | (13.57)                     |
| <b>Income tax charged to Other Comprehensive Income</b>                        | <b>(4.74)</b>               | <b>(13.57)</b>              |

**Reconciliation of tax expense and the accounting profit multiplied by India's Domestic Tax rate for 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2023:**

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

|   | (₹ in Lakhs)                |                             |
|---|-----------------------------|-----------------------------|
| Particulars   | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
| Accounting Profit before income tax & Exceptional items | 5081.84                     | 4031.70                     |
| Enacted tax rate in India*                              | 25.168%                     | 25.168%                     |
| Profit before income tax multiplied by enacted tax rate | 1279.00                     | 1014.70                     |
| Effects of:   |                             |                             |
| Allowances under Income Tax Act                         | (59.75)                     | (308.36)                    |
| Disallowances under Income Tax Act                      | 1.51                        | 25.79                       |
| Adjustment of current tax of previous year              | -                           | -                           |
| <b>Net effective Income Tax</b>                         | <b>1220.76</b>              | <b>732.13</b>               |

\*on Capital Gains it is 22.88%



## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

### 32. EARNINGS PER SHARE

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

The Basic and Diluted EPS calculations are given below:

| Particulars                                | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|--|-----------------------------|-----------------------------|
| Profit After Tax (₹ in Lakhs)              | 5441.12                     | 2973.54                     |
| Weighted average number of shares in Lakhs |                             |                             |
| - Basic                                    | 870.01                      | 870.01                      |
| - Diluted                                  | 870.01                      | 870.01                      |
| Earnings per share of ₹ 2/- each           |                             |                             |
| - Basic                                    | 6.25                        | 3.42                        |
| - Diluted                                  | 6.25                        | 3.42                        |

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

(ii). The monthly statements of book debts and inventories filed by the Company with the Banks are in agreement with the books of accounts.

(iii). Terms of Repayment

**Loan Description**

**Repayment Terms**

Term Loan - Banks

Quarterly Installments

(iv). There is no default in repayment of dues.

### 34. DETAILS OF CSR EXPENDITURE

(₹ in Lakhs)

| Particulars   | 31 <sup>st</sup> March 2024   | 31 <sup>st</sup> March 2023   |
|---|---|---|
| i. amount required to be spent by the Company during the year   | 47.77   | 41.43   |
| ii. amount of expenditure incurred (including previous year surplus)  | 49.88   | 46.27   |
| iii. shortfall at the end of the year   | -   | -   |
| iv. total of previous years shortfall   | -   | -   |
| v. reason for shortfall   | -   | -   |
| vi. nature of CSR activities  | Healthcare, Vocational Training, Promoting Education, Community Development and Rural Development | Healthcare, Vocational Training, Promoting Education, Community Development, Rural Development and Environment Protection |
| vii. details of related party transactions (e.g. contribution to trust controlled by Company)   | -   | -   |
| viii. where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately. | -   | -   |

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

### **35. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### **Defined employee benefit plans (Gratuity)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about defined benefit gratuity plan are given in Note No. 43.

#### **Fair value measurement of financial instruments**

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

#### **Impairment of non-financial assets**

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

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

### 36. COMMITMENTS

(₹ in Lakhs)

| Particulars  | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|--|-----------------------------|-----------------------------|
| Estimated amount of contracts remaining to be executed and not provided for in these accounts (net of advances) in respect of acquisition of assets. | 1131.10                     | 381.23                      |

### 37. CONTINGENT LIABILITIES

| Particulars  | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|--|-----------------------------|-----------------------------|
| Bank Guarantees  | 80.00                       | 80.00                       |
| Letter of Credit   | 101.91                      | -                           |
| Claims against the company not acknowledged as debts primarily towards (net of amount paid to statutory authorities):<br>- sales tax | 17.11                       | 17.11                       |

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

### 38. SEGMENT REPORTING UNDER IND AS 108

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

(₹ in Lakhs)

| Year ended                  | India    | Others   | Total     |
|-----------------------------|----------|----------|-----------|
| 31 <sup>st</sup> March 2024 | 81229.27 | 44527.24 | 125756.51 |
| 31 <sup>st</sup> March 2023 | 92861.86 | 32940.98 | 125802.84 |

Out of the above said revenue two customers represent more than 10% of the gross revenue and in total contribute 27.12% of the gross revenue.

### 39. AUDITOR'S REMUNERATION

(₹ in Lakhs)

| Particulars          | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|----------------------|-----------------------------|-----------------------------|
| Statutory Audit Fees | 16.00                       | 16.00                       |

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

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

(₹ in Lakhs)

| Particulars  | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|--|-----------------------------|-----------------------------|
| i. The principal amount (2023-24: 2456.74, 2022-23: 3065.77) and the interest due (2023-24: Nil, 2022-23: Nil) thereon remain unpaid to suppliers at the end of each accounting year.  | 2456.74                     | 3065.77                     |
| ii. The amount of interest paid by the buyer as per section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.  | -                           | -                           |
| iii. The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.                    | -                           | -                           |
| iv. The amount of interest accrued and remaining unpaid at the end of each accounting year.  | -                           | -                           |
| v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure. | -                           | -                           |

**41. FOREIGN EXCHANGE EARNINGS AND OUT-GO**

(₹ in Lakhs)

| Particulars               | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|---------------------------|-----------------------------|-----------------------------|
| Foreign Exchange Earnings | 42295.46                    | 29947.89                    |
| Foreign Exchange Out-Go   | 4762.94                     | 4114.29                     |

**42. LEASES**

The Company has only short term leases with lease term of 12 months or low value. The Company applies short term leases and low value leases recognition exemption from the leases. The amount debited to P&L Account is ₹ 144.01 Lakhs for the year ended 31.03.2024 (₹ 139.71 Lakhs for the year ended 31.03.2023).

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

**43. EMPLOYEE BENEFITS**

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

(₹ in Lakhs)

| Particulars  | Present Value of Obligation | Fair Value of Plan Assets | Total        |
|--|-----------------------------|---------------------------|--------------|
| <b>1<sup>st</sup> April 2022</b>   | <b>1076.99</b>              | <b>(1063.66)</b>          | <b>13.33</b> |
| Current Service Cost   | 79.82                       | -                         | 79.82        |
| Past Service Cost  | -                           | -                         | -            |
| Interest Expense / (Income)  | 75.39                       | <b>(74.01)</b>            | 1.38         |
| <b>Total amount recognised in Statement of Profit and Loss</b>                     | <b>155.21</b>               | <b>(74.01)</b>            | <b>81.20</b> |
| <b>Re-measurements</b>   |                             |                           |              |
| - Return on plan assets, excluding amounts included in interest expense / (Income) | -                           | -                         | -            |
| - (Gain)/Loss from change in demographic assumptions                               | 53.92                       | -                         | 53.92        |
| - (Gain)/Loss from change in financial assumptions                                 | -                           | -                         | -            |
| - Experience (Gains)/Losses  | -                           | -                         | -            |
| - Changes in asset ceiling excluding amounts included in interest expense          | -                           | -                         | -            |
| <b>Total amount recognised in other comprehensive income</b>                       | <b>53.92</b>                | -                         | <b>53.92</b> |
| - Employer Contributions   | -                           | (105.95)                  | (105.95)     |
| - Benefit Payments   | (88.48)                     | 88.48                     | -            |
| <b>31<sup>st</sup> March 2023</b>  | <b>1197.64</b>              | <b>(1155.14)</b>          | <b>42.50</b> |

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

| Particulars  | Present Value of Obligation | Fair Value of Plan Assets | Total         |
|--|-----------------------------|---------------------------|---------------|
| <b>1<sup>st</sup> April 2023</b>   | <b>1197.64</b>              | <b>(1155.14)</b>          | <b>42.50</b>  |
| Current Service Cost   | 89.19                       | -                         | 89.19         |
| Past Service Cost  | -                           | -                         | -             |
| Interest Expense / (Income)  | 86.83                       | (83.59)                   | 3.24          |
| <b>Total amount recognised in Statement of Profit and Loss</b>                     | <b>176.02</b>               | <b>(83.59)</b>            | <b>92.43</b>  |
| <b>Re-measurements</b>   |                             |                           |               |
| - Return on plan assets, excluding amounts included in interest expense / (Income) | -                           | -                         | -             |
| - (Gain)/Loss from change in demographic assumptions                               | 18.83                       | -                         | 18.83         |
| - (Gain)/Loss from change in financial assumptions                                 | -                           | -                         | -             |
| - Experience (Gains)/Losses  | -                           | -                         | -             |
| - Changes in asset ceiling excluding amounts included in interest expense          | -                           | -                         | -             |
| <b>Total amount recognised in other comprehensive income</b>                       | <b>18.83</b>                | <b>-</b>                  | <b>18.83</b>  |
| - Employer Contributions   | -                           | (32.43)                   | (32.43)       |
| - Benefit Payments   | (88.33)                     | 88.33                     | -             |
| <b>31<sup>st</sup> March 2024</b>  | <b>1304.16</b>              | <b>(1182.83)</b>          | <b>121.33</b> |

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

| Particulars                              | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|--|-----------------------------|-----------------------------|
| Present value of funded obligations      | 1304.16                     | 1197.64                     |
| Fair value of plan assets                | (1182.83)                   | (1155.14)                   |
| <b>Deficit/(Excess) of Funded Plan</b>   | <b>121.33</b>               | <b>42.50</b>                |
| Unfunded plans                           | -                           | -                           |
| <b>Deficit/(Excess) of Gratuity Plan</b> | <b>121.33</b>               | <b>42.50</b>                |

(iii) Significant Estimates: Actuarial assumptions and sensitivity

| Particulars                    | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|--------------------------------|-----------------------------|-----------------------------|
| Discount Rate                  | 7.25%                       | 7.25%                       |
| Expected return on Plan Assets | 7.00%                       | 7.00%                       |
| Salary Growth Rate             | 7.00%                       | 7.00%                       |
| Attrition Rate (depend on age) | 1% to 3%                    | 1% to 3%                    |

#### 44. FAIR VALUES

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

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

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

### 45. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to maximise the shareholder value. For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders.

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plan coupled with long term, strategic investment and expansion plans. The funding requirements are met through equity, internal accruals and a combination of both long-term and short-term borrowings.

The Company monitors the capital structure on the basis of net debt to equity of the Company. Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances and current investments.

(₹ in Lakhs)

| Particulars                       | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|-----------------------------------|-----------------------------|-----------------------------|
| Debt                              | 32892.33                    | 30367.75                    |
| (Less): Cash and Cash Equivalents | (8485.78)                   | (10476.47)                  |
| <b>Net Debt</b>                   | <b>24406.55</b>             | <b>19891.28</b>             |
| Total Equity                      | 51919.08                    | 46840.06                    |
| <b>Net Debt to Equity Ratio</b>   | <b>0.47</b>                 | <b>0.42</b>                 |

### 46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

#### a. Credit Risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, loans and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

### **b. Liquidity Risk:**

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

### **c. Market Risk:**

External factors such as government policies and rainfall could have a significant impact on sales of Tractors and Commercial Vehicles, which are cyclical in nature. To mitigate the risk of seasonality & cyclicity in the domestic market, the Company has been developing its exports and products in other segments viz. off-highway, railways etc.,

### **Input Cost Risk:**

Our profitability and cost effectiveness may be affected due to change in the prices of raw materials, power and other input costs. While we are typically able to pass on these costs to our customers with a slight lag. This risk is significant and is carefully monitored.

### **Interest Rate Risk:**

The Company is exposed to interest rate risk pertaining to funds borrowed from Banks. The Company works closely with our banks and using its working capital effectively to minimize the overall interest costs. The exposure of Company's borrowings to interest rate changes at the end of the reporting period is as follows:

| Particulars                   | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|-------------------------------|-----------------------------|-----------------------------|
| Total Borrowings (₹ in Lakhs) | 32892.33                    | 30367.75                    |

Interest rate sensitivity analysis:

The below given sensitivity analysis has been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. A 30 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible change in interest rates.

If interest rates had been 30 basis points higher / lower, the Company's profit / loss for the year ended 31<sup>st</sup> March 2024 would decrease / increase by ₹ 98.68 lakhs (31<sup>st</sup> March 2023 decrease / increase by ₹ 91.10 lakhs).

### **Foreign Currency Risk:**

The Company's exposure on foreign currency is primarily through earnings from exports. The company also import some capital goods and raw materials only when prices are favourable. However, this exposure is typically short term. The company does selective hedging of imports and exports to hedge its risks associated with exchange rates. Any substantial long-term liabilities viz. ECBs are fully hedged by the Company.



## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

### Unhedged foreign Currency

The Company's unhedged foreign currency exposure is as follows :

(₹ in Lakhs)

| Particulars                      | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|----------------------------------|-----------------------------|-----------------------------|
| FCY Receivables                  | 21001.52                    | 15169.24                    |
| Hedged                           | 4001.95                     | 4675.98                     |
| <b>Un-hedged Receivables (a)</b> | <b>16999.57</b>             | <b>10493.26</b>             |

| Particulars                   | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|-------------------------------|-----------------------------|-----------------------------|
| FCY Payables                  | 5454.40                     | 6301.85                     |
| Hedged                        | 5321.05                     | 5986.18                     |
| <b>Un-hedged Payables (b)</b> | <b>133.35</b>               | <b>315.67</b>               |

|                                  |                 |                 |
|----------------------------------|-----------------|-----------------|
| <b>Un-hedged Net (c = a - b)</b> | <b>16866.22</b> | <b>10177.59</b> |
|----------------------------------|-----------------|-----------------|

Foreign Currency sensitivity analysis:

The Company is exposed mainly to US Dollar and EURO currencies. A 4% sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents Management's assessment of the reasonably possible change in foreign currency rates. The below given table shows the Company's sensitivity to a 4% increase or decrease against the relevant foreign currencies.

If the currency had been fluctuated by 4% higher / lower, the Company's profit / loss for the year ended 31<sup>st</sup> March 2024 would increase / decrease by ₹ 674.65 lakhs (31<sup>st</sup> March 2023 increase / decrease by ₹ 407.10 lakhs).

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

### 47. RATIOS

| Particulars                         | Formula  | 2023-24 | 2022-23 | Change  |
|-------------------------------------|--|---------|---------|---------|
| Current Ratio                       | Current Assets / Current Liabilities   | 1.30    | 1.31    | -0.76%  |
| Debt Equity Ratio                   | Debt / Equity  | 0.63    | 0.65    | -3.08%  |
| Debt Service Coverage Ratio         | Earnings available for debt service / Total Interest and principal repayment | 1.69    | 1.40    | 20.71%  |
| Return on Equity Ratio <sup>1</sup> | Net Profit after Tax / Average Shareholder's Equity                          | 0.11    | 0.07    | 57.14%  |
| Inventory Turnover Ratio            | Sales / Average Inventory  | 7.23    | 7.94    | -8.94%  |
| Trade Receivables Turnover Ratio    | Sales / Average Trade Receivables  | 4.52    | 5.07    | -10.85% |
| Trade Payables Turnover Ratio       | Purchases / Average Trade Payables   | 4.97    | 5.54    | -10.29% |
| Net Capital Turnover Ratio          | Net Sales / Working Capital  | 8.90    | 9.85    | -9.64%  |
| Net Profit Ratio (%) <sup>2</sup>   | Net Profit after Tax / Net Sales   | 4.33%   | 2.36%   | 83.47%  |
| Return on Capital Employed (%)      | Earnings before Interest and Taxes / Capital Employed                        | 9.22%   | 8.76%   | 5.25%   |

The company earns a return on investments ranging from 3.25% to 8% pa. on fixed deposits.

<sup>1&2</sup> Due to increased earnings

### 48. OTHER STATUTORY INFORMATION

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company has not traded or invested in Crypto currency or virtual currency during the current or previous year.
- (iii) The Company has availed term loans during the current financial year and were applied for the purpose for which those were raised. The funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes.
- (iv) The monthly statements of stock and book debts filed by the Company with Banks are in agreement with the books of account.
- (v) The Company has not been declared as wilful defaulters by any bank or financial institution or government or any government authority.
- (vi) The Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

- (vii) The Company has not received any fund from any persons or entities, including foreign entities with the understanding that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (viii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (ix) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.
- (x) The Company has no transactions with struck off companies during the current or previous year.
- (xi) The Company has complied with the number of layers prescribed under the Companies Act.
- (xii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

### 49. RELATED PARTY DISCLOSURE

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

**Subsidiary Company:** NC Energy Limited

**Key Management Personnel (KMP):**

- Mr. P. Deepak, Managing Director
- Mr. S.K. Sivakumar, Chief Financial Officer & Company Secretary
- Mr. D. Sessa Reddy, Independent Director
- Mr. A. Balasubramanian, Independent Director
- Ms. Maheswari Mohan, Independent Director
- Mr. R. Sridharan, Independent Director

**Relatives / Enterprises related to Key Management Personnel (KMP):**

- Mrs. P. Jamuna
- Mrs. S. Vijayalakshmi
- M/s. MIC USA LLC

**a) Transactions with related parties (2023-24)**

(₹ in Lakhs)

| Nature of Transactions                       | Subsidiary Company | KMP          | Relatives to KMP | Enterprises related to KMP |
|--|--------------------|--------------|------------------|----------------------------|
| Remuneration                                 | -                  | 372.04       | -                | -                          |
| Rental Payments                              | -                  | -            | 152.03           | -                          |
| Other Payments                               | -                  | -            | -                | 1044.99                    |
| Sitting Fees to Independent Directors        | -                  | 18.90        | -                | -                          |
| <b>Payable (Receivable) as on 31.03.2024</b> | -                  | <b>26.97</b> | -                | <b>67.28</b>               |
| <b>Investment in Shares:</b>                 |                    |              |                  |                            |
| Amount of investment during the year         | -                  | -            | -                | -                          |
| Closing Balance as on 31.03.2024             | 3860.00            | -            | -                | -                          |

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

**b) Transactions with related parties (2022-23) (₹ in Lakhs)**

| Nature of Transactions                       | Subsidiary Company | KMP          | Relatives to KMP | Enterprises related to KMP |
|--|--------------------|--------------|------------------|----------------------------|
| Remuneration                                 | -                  | 307.17       | -                | -                          |
| Rental Payments                              | -                  | -            | 147.23           | -                          |
| Other Payments                               | -                  | -            | -                | 748.45                     |
| Sitting Fees to Independent Directors        | -                  | 16.70        | -                | -                          |
| <b>Payable (Receivable) as on 31.03.2023</b> | -                  | <b>37.72</b> | -                | <b>61.55</b>               |
| <b>Investment in Shares:</b>                 |                    |              |                  |                            |
| Amount of investment during the year         | -                  | -            | -                | -                          |
| Closing Balance as on 31.03.2023             | 3860.00            | -            | -                | -                          |

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

**As per our report of even date**

**For K NAGARAJU & ASSOCIATES**

Chartered Accountants  
Firm Regn No. 002270S

**K. NAGARAJU**

Partner  
Membership No. 024344

**For and on behalf of the Board**

**D. Sesa Reddy**

Chairman  
DIN: 00520448

**A. Balasubramanian**

Director  
DIN: 00490921

**P. Deepak**

Managing Director  
DIN: 02785326

**S. K. Sivakumar**

Chief Financial Officer &  
Company Secretary

Place : Chennai

Date : 13<sup>th</sup> May 2024

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**CONSOLIDATED  
FINANCIAL STATEMENTS  
2023-24**

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## AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying consolidated financial statements of **M/s. Nelcast Limited** (“the Holding Company”) and its subsidiary (the Holding Company and its subsidiary together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March 2024, consolidated profit and consolidated total comprehensive income, consolidated changes in equity and the consolidated cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

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

**Management's Responsibility for the Consolidated Financial Statements**

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

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent auditors.
- Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated 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.

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

**Other Matters**

We did not audit the financial statements / financial information of subsidiary, whose financial statements / financial information reflect total assets of ₹ 4131.16 Lakhs as at 31<sup>st</sup> March 2024, total comprehensive income of ₹ Nil and net cash flows amounting to ₹ -0.59 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information has been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of Sections 143(3) and 143(11) of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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

**Report on Other Legal and Regulatory Requirements**

1. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO"), issued by the Central Government of India in terms of Section 143(11) of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO reports issued in respect of the standalone financial statements of the companies which are included in these consolidated Ind AS financial statements.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flow dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

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

(e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31<sup>st</sup> March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure'.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with 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 Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

iv. (a). The respective managements of the Company and its Subsidiary, whose financial statements have been audited under the Companies Act, has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity (intermediaries), with the understanding directly or indirectly lend or invest in other persons or entity's identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries;

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

- (b). The respective managements of the Company and its subsidiary, whose financial statements have been audited under the Companies Act, has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Group from any person or entity, including foreign entity (funding parties), with the understanding whether recorded in writing or otherwise , that the Group shall directly or indirectly lend or invest in other persons or entity's identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (c). Based on the audit procedures that have been considered that are reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As noted in the consolidated financial statements
- (a). The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b). The Group has not declared any interim dividend during the year.
- (c). The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.
- vi. Based on our examination which included test checks and that performed by the respective auditors of a subsidiary whose financial statements have been audited under the Act, the Company and Subsidiary have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred subsidiary did not come across any instance of audit trail feature being tampered with.

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

**K. NAGARAJU**  
Partner  
Membership No. 024344

Place : Chennai  
Date : 13<sup>th</sup> May 2024  
UDIN : 24024344BKDBJC7943

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

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31<sup>st</sup> March 2024, we have audited the internal financial controls over financial reporting of **M/s. Nelcast Limited** ("the Holding Company") and its subsidiary Company, which is incorporated in India, as of that date.

**MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

**AUDITORS' RESPONSIBILITY**

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

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

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

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

**MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

**OPINION**

In our opinion, the Holding Company, its subsidiary Company, which is incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**OTHER MATTERS**

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

**For K NAGARAJU & ASSOCIATES**

Chartered Accountants  
Firm Regn. No. 002270S

**K. NAGARAJU**

Partner  
Membership No. 024344

Place : Chennai

Date : 13<sup>th</sup> May 2024

**CONSOLIDATED BALANCE SHEET AS AT**

| PARTICULARS   | Note No. | 31 <sup>st</sup> March 2024<br>(₹ in Lakhs) | 31 <sup>st</sup> March 2023<br>(₹ in Lakhs) |
|---|----------|---|---|
| <b>I. ASSETS</b>  |          |   |   |
| <b>A Non-Current Assets</b>                                     |          |   |   |
| Property, Plant and Equipment                                   | 2(i)     | 44590.56                                    | 45853.45                                    |
| Capital Work-in-Progress  | -        | 5620.03                                     | 1347.36                                     |
| Other Intangible Assets   | 2(ii)    | 20.85                                       | 37.71                                       |
| Financial Assets:   |          |   |   |
| (i) Investments   | 3        | 1271.99                                     | 1145.89                                     |
| Other Non-Current Assets  | 4        | 957.95                                      | 425.12                                      |
| <b>Total Non-Current Assets</b>                                 |          | <b>52461.38</b>                             | <b>48809.53</b>                             |
| <b>B Current Assets</b>   |          |   |   |
| Inventories   | 5        | 18969.51                                    | 15819.21                                    |
| Financial Assets:   |          |   |   |
| (i) Trade Receivables   | 6        | 30089.18                                    | 25592.27                                    |
| (ii) Cash and Cash Equivalents                                  | 7        | 8489.13                                     | 10480.41                                    |
| (iii) Bank balances other than (ii) above                       | 8        | 8.17  | 8.64  |
| (iv) Other Financial Assets                                     | 9        | 2026.03                                     | 1762.34                                     |
| Current Tax Assets (Net)  | 10       | 208.32                                      | -   |
| Other Current Assets  | 11       | 910.19                                      | 374.34                                      |
| <b>Total Current Assets</b>                                     |          | <b>60700.53</b>                             | <b>54037.21</b>                             |
| <b>Total Assets</b>   |          | <b>113161.91</b>                            | <b>102846.74</b>                            |
| <b>II. EQUITY AND LIABILITIES</b>                               |          |   |   |
| <b>A Equity</b>   |          |   |   |
| Equity Share Capital  | 12       | 1740.02                                     | 1740.02                                     |
| Other Equity  | 13       | 50179.06                                    | 45100.04                                    |
| Non-Controlling Interest  | -        | 271.00                                      | 271.00                                      |
| <b>Total Equity</b>   |          | <b>52190.08</b>                             | <b>47111.06</b>                             |
| <b>B Liabilities</b>  |          |   |   |
| <b>1 Non-Current Liabilities</b>                                |          |   |   |
| Financial Liabilities:  |          |   |   |
| (i) Borrowings  | 14       | 9795.11                                     | 10067.05                                    |
| Deferred Tax Liabilities (Net)                                  | 15       | 4601.59                                     | 4406.58                                     |
| <b>Total Non-Current Liabilities</b>                            |          | <b>14396.70</b>                             | <b>14473.63</b>                             |
| <b>2 Current Liabilities</b>                                    |          |   |   |
| Financial Liabilities:  |          |   |   |
| (i) Borrowings  | 16       | 23097.22                                    | 20300.70                                    |
| (ii) Trade Payables   | 17       |   |   |
| - Total outstanding dues of Micro & Small Enterprises           |          | 2456.74                                     | 3065.77                                     |
| - Total outstanding dues of Otherthan Micro & Small Enterprises |          | 18905.02                                    | 15201.78                                    |
| (iii) Other Financial Liabilities                               | 18       | 8.17  | 8.64  |
| Other Current Liabilities                                       | 19       | 1795.37                                     | 2198.53                                     |
| Provisions  | 20       | 312.61                                      | 322.57                                      |
| Current Tax Liabilities (Net)                                   | 21       | -   | 164.06                                      |
| <b>Total Current Liabilities</b>                                |          | <b>46575.13</b>                             | <b>41262.05</b>                             |
| <b>Total Liabilities</b>  |          | <b>60971.83</b>                             | <b>55735.68</b>                             |
| <b>Total Equity and Liabilities</b>                             |          | <b>113161.91</b>                            | <b>102846.74</b>                            |
| <b>Accounting Policies</b>                                      | 1        |   |   |

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

As per our report of even date

For and on behalf of the Board

**For K NAGARAJU & ASSOCIATES**

Chartered Accountants  
Firm Regn No. 002270S

**K. NAGARAJU**

Partner  
Membership No. 024344

**D. Sessa Reddy**

Chairman  
DIN: 00520448

**A. Balasubramanian**

Director  
DIN: 00490921

**P. Deepak**

Managing Director  
DIN: 02785326

**S. K. Sivakumar**

Chief Financial Officer &  
Company Secretary

Place : Chennai  
Date : 13<sup>th</sup> May 2024



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED**

| PARTICULARS   | Note No. | 31 <sup>st</sup> March 2024<br>(₹ in Lakhs) | 31 <sup>st</sup> March 2023<br>(₹ in Lakhs) |
|---|----------|---|---|
| <b>Income:</b>  |          |   |   |
| I Revenue from Operations   | 22       | 126694.25                                   | 126397.42                                   |
| II Other Income   | 23       | 1427.35                                     | 1614.42                                     |
| III <b>Total Income (I+II)</b>  |          | <b>128121.60</b>                            | <b>128011.84</b>                            |
| <b>IV Expenses:</b>   |          |   |   |
| Cost of Materials Consumed  | 24       | 58708.69                                    | 63243.19                                    |
| Changes in Inventories of Finished Goods & Work-in-Progress                       | 25       | (2771.68)                                   | 95.90                                       |
| Employee Benefits Expense   | 26       | 7422.33                                     | 6425.36                                     |
| Finance Costs   | 27       | 3158.34                                     | 3117.96                                     |
| Depreciation & Amortisation Expense   | 28       | 2413.72                                     | 2401.05                                     |
| Other Expenses  | 29       | 54108.36                                    | 48696.68                                    |
| <b>Total Expenses</b>   |          | <b>123039.76</b>                            | <b>123980.14</b>                            |
| V <b>Profit Before Exceptional Items and Tax (III-IV)</b>                         |          | <b>5081.84</b>                              | <b>4031.70</b>                              |
| VI Exceptional Items  | 30       | 1779.79                                     | -   |
| VII <b>Profit Before Tax (V-VI)</b>   |          | <b>6861.63</b>                              | <b>4031.70</b>                              |
| <b>VIII Tax Expenses:</b>   |          |   |   |
| (1). Current Tax  | 31       | 1220.76                                     | 732.13                                      |
| (2). Defferred Tax  |          | 199.75                                      | 326.03                                      |
|   |          | <b>1420.51</b>                              | <b>1058.16</b>                              |
| IX <b>Profit for the Period (VII-VIII)</b>  |          | <b>5441.12</b>                              | <b>2973.54</b>                              |
| <b>X Other Comprehensive Income</b>   |          |   |   |
| A. (i) Items that will not be reclassified to Profit or Loss                      |          |   |   |
| - Remeasurement of Defined Benefit Plans  |          | 18.83                                       | 53.92                                       |
| (ii) Income tax relating to items that will not be reclassified to Profit or Loss |          | (4.74)                                      | (13.57)                                     |
| B. (i) Items that will be reclassified to Profit or Loss                          |          | -   | -   |
| (ii) Income tax relating to items that will be reclassified to Profit or Loss     |          | -   | -   |
| <b>Total Other Comprehensive Income, net of taxes</b>                             |          | <b>14.09</b>                                | <b>40.35</b>                                |
| XI <b>Total Comprehensive Income for the period (IX-X)</b>                        |          | <b>5427.03</b>                              | <b>2933.19</b>                              |
| <b>XII Earnings per Equity Share :</b>  |          |   |   |
| (1). Basic  | 32       | <b>6.25</b>                                 | <b>3.42</b>                                 |
| (2). Diluted  |          | <b>6.25</b>                                 | <b>3.42</b>                                 |
| <b>Accounting Policies</b>  | <b>1</b> |   |   |

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

**As per our report of even date**

**For and on behalf of the Board**

**For K NAGARAJU & ASSOCIATES**

Chartered Accountants  
Firm Regn No. 002270S

**K. NAGARAJU**

Partner  
Membership No. 024344

**D. Sessa Reddy**

Chairman  
DIN: 00520448

**A. Balasubramanian**

Director  
DIN: 00490921

**P. Deepak**

Managing Director  
DIN: 02785326

**S. K. Sivakumar**

Chief Financial Officer &  
Company Secretary

Place : Chennai

Date : 13<sup>th</sup> May 2024



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

| PARTICULARS  | 31 <sup>st</sup> March<br>2024<br>(₹ in Lakhs) | 31 <sup>st</sup> March<br>2023<br>(₹ in Lakhs) |
|--|--|--|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>            |  |  |
| <b>Net Profit Before Tax</b>                             | <b>6861.63</b>                                 | <b>4031.70</b>                                 |
| Adjustments for:   |  |  |
| Depreciation & Amortisation Expense                      | 2413.72  | 2401.05  |
| Interest Income  | (631.40)                                       | (393.62)                                       |
| (Profit)/Loss on sale of assets                          | (66.67)  | 38.22  |
| (Profit)/Loss on sale of investments                     | -  | (0.02)   |
| (Profit)/Loss from exceptional items                     | (1779.79)                                      | -  |
| Interest Paid  | 3158.34  | 3117.96  |
| Un-realised forex (Gain)/Loss                            | 54.18  | 144.60   |
| Remeasurement of Defined Benefit Plans                   | (18.83)  | (53.92)  |
|  | <b>3129.55</b>                                 | <b>5254.27</b>                                 |
| <b>Operating Profit before Working Capital Changes</b>   | <b>9991.18</b>                                 | <b>9285.97</b>                                 |
| Adjustment for:  |  |  |
| (Increase)/Decrease in Inventories                       | (3150.30)                                      | 53.51  |
| (Increase)/Decrease in Trade Receivables                 | (4493.54)                                      | (1567.70)                                      |
| (Increase)/Decrease in Other Financial Assets            | (263.69)                                       | (358.46)                                       |
| (Increase)/Decrease in Other Current Assets              | (535.84)                                       | 40.79  |
| (Increase)/Decrease in Other Non-Current Assets          | (532.83)                                       | (119.83)                                       |
| (Increase)/Decrease in Trade Payables                    | 3090.67  | 211.46   |
| (Increase)/Decrease in Other Financial Liabilities       | (130.48)                                       | 398.28   |
| (Increase)/Decrease in Other Current Liabilities         | (457.17)                                       | 500.32   |
| (Increase)/Decrease in Provisions                        | (9.96)   | 135.25   |
|  | <b>(6483.14)</b>                               | <b>(706.38)</b>                                |
| <b>Cash generated from Operations</b>                    | <b>3508.04</b>                                 | <b>8579.59</b>                                 |
| Taxes Paid   | (1593.14)                                      | (535.94)                                       |
| <b>Net Cash from Operating Activities</b>                | <b>TOTAL A</b>                                 | <b>8043.65</b>                                 |
|  | <b>1914.90</b>                                 |  |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>             |  |  |
| Purchase of Property, Plant and Equipment                | (2084.24)                                      | (1945.18)                                      |
| Purchase of Other Intangible Assets                      | -  | (2.00)   |
| Proceeds from Sale of Property, Plant and Equipment      | 2796.72  | 356.50   |
| (Increase)/Decrease in Capital Work-In-Progress          | (4272.67)                                      | (44.07)  |
| Purchase of Non-Current Investments                      | (200.00)                                       | (1100.93)                                      |
| Proceeds from Sale of Non-Current Investments            | 73.90  | 2.36   |
| (Increase)/Decrease in Unpaid Dividend A/cs              | 0.47   | 0.78   |
| Interest Income  | 631.40   | 393.62   |
| <b>Net Cash from / (used in) in Investing Activities</b> | <b>TOTAL B</b>                                 | <b>(2338.92)</b>                               |
|  | <b>(3054.42)</b>                               |  |

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED - (Contd.)**

| PARTICULARS  | 31 <sup>st</sup> March<br>2024<br>(₹ in Lakhs) | 31 <sup>st</sup> March<br>2023<br>(₹ in Lakhs) |
|--|--|--|
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>                         |  |  |
| Proceeds from Long-Term Borrowings                                   | 3000.00  | -  |
| Repayment of Long-Term Borrowings                                    | (3271.94)                                      | (3674.91)                                      |
| Interest paid  | (3158.34)                                      | (3117.96)                                      |
| Dividend Paid  | (348.01)                                       | (261.00)                                       |
| <b>Net Cash from / (used in) Financing Activities</b> <b>TOTAL C</b> | <b>(3778.29)</b>                               | <b>(7053.87)</b>                               |
| <b>Net Increase / (Decrease) in Cash and Cash equivalents A+B+C</b>  | <b>(4917.81)</b>                               | <b>(1349.14)</b>                               |
| <b>Cash and Cash equivalents at the beginning of the year</b>        |  |  |
| Cash and Bank Balances   | 10480.41                                       | 6139.49  |
| Cash Credit Balance  | (16938.93)                                     | (11248.87)                                     |
| <b>Cash and Cash Equivalents at the end of the year</b>              |  |  |
| Cash and Bank Balances   | 8489.13  | 10480.41                                       |
| Cash Credit Balance  | (19865.46)                                     | (16938.93)                                     |
|  | <b>(11376.33)</b>                              | <b>(6458.52)</b>                               |

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

**As per our report of even date**

**For K NAGARAJU & ASSOCIATES**

Chartered Accountants  
Firm Regn No. 002270S

**K. NAGARAJU**

Partner  
Membership No. 024344

**D. Sessa Reddy**

Chairman  
DIN: 00520448

**A. Balasubramanian**

Director  
DIN: 00490921

**For and on behalf of the Board**

**P. Deepak**

Managing Director  
DIN: 02785326

**S. K. Sivakumar**

Chief Financial Officer &  
Company Secretary

Place : Chennai

Date : 13<sup>th</sup> May 2024

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024**

| I. Equity Share Capital  | Note      | No. of<br>Shares                 | ₹<br>in<br>Lakhs   |                      |                        |
|--|-----------|----------------------------------|--------------------|----------------------|------------------------|
| Equity Shares of ₹ 2/- each issued, subscribed and fully paid up |           |                                  |                    |                      |                        |
| Balance as at 1 <sup>st</sup> April 2022                         | 12        | 87001200                         | 1740.02            |                      |                        |
| Changes in Equity Share Capital during the year                  |           | -                                | -                  |                      |                        |
| <b>Balance as at 31<sup>st</sup> March 2023</b>                  | <b>12</b> | <b>87001200</b>                  | <b>1740.02</b>     |                      |                        |
| Changes in Equity Share Capital during the year                  |           | -                                | -                  |                      |                        |
| <b>Balance as at 31<sup>st</sup> March 2024</b>                  | <b>12</b> | <b>87001200</b>                  | <b>1740.02</b>     |                      |                        |
| <b>II. Other Equity</b>  |           |                                  |                    |                      |                        |
|  | Note      | Securities<br>Premium<br>Account | General<br>Reserve | Retained<br>Earnings | Total<br>₹<br>in Lakhs |
| Balance as at 1 <sup>st</sup> April 2022                         | 13        | 8774.13                          | 22500.00           | 11153.72             | 42427.85               |
| Profit for the period  |           | -                                | -                  | 2973.54              | 2973.54                |
| Other Comprehensive Income                                       |           | -                                | -                  | (40.35)              | (40.35)                |
| Transfer (to) / from Reserves                                    |           | -                                | -                  | -                    | -                      |
| <b>Transactions with owners in their capacity as owners:</b>     |           |                                  |                    |                      |                        |
| Dividend paid  |           | -                                | -                  | (261.00)             | (261.00)               |
| <b>Balance as at 31<sup>st</sup> March 2023</b>                  | <b>13</b> | <b>8774.13</b>                   | <b>22500.00</b>    | <b>13825.91</b>      | <b>45100.04</b>        |
| Profit for the period  |           | -                                | -                  | 5441.12              | 5441.12                |
| Other Comprehensive Income                                       |           | -                                | -                  | (14.09)              | (14.09)                |
| Transfer (to) / from Reserves                                    |           | -                                | -                  | -                    | -                      |
| <b>Transactions with owners in their capacity as owners:</b>     |           |                                  |                    |                      |                        |
| Dividend paid  |           | -                                | -                  | (348.01)             | (348.01)               |
| <b>Balance as at 31<sup>st</sup> March 2024</b>                  | <b>13</b> | <b>8774.13</b>                   | <b>22500.00</b>    | <b>18904.93</b>      | <b>50179.06</b>        |

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

**As per our report of even date**

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

**K. NAGARAJU**  
Partner  
Membership No. 024344

**D. Sessa Reddy**  
Chairman  
DIN: 00520448

**A. Balasubramanian**  
Director  
DIN: 00490921

**For and on behalf of the Board**

**P. Deepak**  
Managing Director  
DIN: 02785326

**S. K. Sivakumar**  
Chief Financial Officer &  
Company Secretary

Place : Chennai  
Date : 13<sup>th</sup> May 2024

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### GENERAL INFORMATION

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

### BASIS OF PREPARATION

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

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

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

The consolidated financial statements for the year ended 31<sup>st</sup> March 2024 were approved by the Board of Directors in their Meeting held on 13<sup>th</sup> May 2024.

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

### BASIS OF CONSOLIDATION

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

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

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

| <b>Name of the Subsidiary</b> | <b>Country of Incorporation</b> | <b>Nature of Interest</b> | <b>% of Interest</b> | <b>Accounting year</b> |
|-------------------------------|---------------------------------|---------------------------|----------------------|------------------------|
| NC Energy Limited             | India                           | Subsidiary                | 93.44%               | 31 <sup>st</sup> March |

### 1.A. MATERIAL ACCOUNTING POLICIES

#### 1.1 PROPERTY, PLANT AND EQUIPMENT

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

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

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

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### 1.2 INVENTORIES

Inventories are valued at the lower of cost and net realizable value. Cost is ascertained on weighted average basis. Cost includes cost of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Raw materials, Stores and Spares of inventory are measured at weighted average cost. Work-In-Progress and Finished Goods are valued at cost or net realizable value whichever is lower. Loose Tools, Moulding Boxes and Patterns are measured at cost less amortized value on a straight line basis over its useful life.

### 1.3 FINANCIAL INSTRUMENTS

The Group measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

#### **Non-Derivative Financial Instruments**

(i) Financial assets carried at amortized cost

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

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

(iv) Financial liabilities

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

### Derivative Financial Instruments

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

### 1.4 REVENUE RECOGNITION

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

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

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

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

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### 1.5 SEGMENT INFORMATION

The Holding Company is principally engaged only in the business of manufacture of Iron Castings and the Subsidiary Company has not commenced its commercial operations and hence, there are no other reportable segments. The geographical segments considered for disclosure based on location of its customers.

### 1.B. OTHER ACCOUNTING POLICIES

#### 1.6 INTANGIBLE ASSETS

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

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

#### 1.7 IMPAIRMENT OF ASSETS

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

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

#### 1.8 INVESTMENTS

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

#### 1.9 CASH AND CASH EQUIVALENTS

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

#### 1.10 LEASES

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



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

### **1.11 CONTRIBUTED EQUITY**

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

### **1.12 DIVIDEND**

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

### **1.13 GOVERNMENT GRANTS AND SUBSIDIES**

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

### **1.14 FOREIGN CURRENCY TRANSACTION**

#### **Initial Recognition:**

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

#### **Subsequent Recognition:**

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All monetary assets and liabilities in foreign currency are restated at the end of the accounting period. Exchange differences on restatement of all monetary items are recognised in the Statement of Profit and Loss.

### **1.15 BORROWING COSTS**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale capitalized as part of the cost of an asset. Where specific borrowings are identified to assets, the Group uses the interest rates applicable to that specific borrowing as the capitalization rate. Where borrowings cannot be specifically identified to assets, the capitalization rate applied is the weighted average of the interest rates applicable to all borrowings of the Group.

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

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### 1.16 TAXES

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

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

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

### 1.17 EMPLOYEE BENEFITS

#### a. Defined Contribution Plans

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

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

### b. Defined Benefit Plan

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

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

### 1.18 EARNINGS PER SHARE

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

### 1.19 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**2. PROPERTY, PLANT & EQUIPMENT AND OTHER INTANGIBLE ASSETS**  
**Year ended 31<sup>st</sup> March 2024** (₹ in Lakhs)

|   | Gross Carrying Amount            |                |                | Depreciation / Amortisation       |                                  |                        | Net Carrying Amount |                                  |                                   |                                   |
|---|----------------------------------|----------------|----------------|-----------------------------------|----------------------------------|------------------------|---------------------|----------------------------------|-----------------------------------|-----------------------------------|
|   | As at 1 <sup>st</sup> April 2023 | Additions      | Disposals      | As at 31 <sup>st</sup> March 2024 | Upto 31 <sup>st</sup> March 2023 | Charge during the year | Disposals           | Upto 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2023 |
| (i). Property, Plant & Equipment              |                                  |                |                |                                   |                                  |                        |                     |                                  |                                   |                                   |
| Freehold Land                                 | 6033.46                          | 395.36         | 838.03         | 5590.79                           | -                                | -                      | -                   | -                                | 5590.79                           | 6033.46                           |
| Freehold Buildings                            | 9942.82                          | 240.23         | -              | 10183.05                          | 1647.37                          | 426.32                 | -                   | 2073.69                          | 8109.36                           | 8295.45                           |
| Plant and Equipment                           | 37604.13                         | 1394.28        | 311.70         | 38686.71                          | 6235.47                          | 1921.59                | 199.46              | 7957.60                          | 30729.11                          | 31368.66                          |
| Office Equipment                              | 79.76                            | 25.33          | -              | 105.09                            | 53.63                            | 13.27                  | -                   | 66.90                            | 38.19                             | 26.13                             |
| Vehicles                                      | 198.11                           | 7.85           | 2.76           | 203.20                            | 164.08                           | 10.36                  | 2.76                | 171.68                           | 31.52                             | 34.03                             |
| Furniture and Fittings                        | 108.91                           | 19.07          | -              | 127.98                            | 29.27                            | 13.21                  | -                   | 42.48                            | 85.50                             | 79.64                             |
| Computers                                     | 73.30                            | 2.12           | -              | 75.42                             | 57.22                            | 12.11                  | -                   | 69.33                            | 6.09                              | 16.08                             |
|   | 54040.49                         | 2084.24        | 1152.49        | 54972.24                          | 8187.04                          | 2396.86                | 202.22              | 10381.68                         | 44590.56                          | 45853.45                          |
| (ii). Other Intangible Assets                 |                                  |                |                |                                   |                                  |                        |                     |                                  |                                   |                                   |
| Computer Software                             | 153.91                           | -              | -              | 153.91                            | 116.20                           | 16.86                  | -                   | 133.06                           | 20.85                             | 37.71                             |
| <b>Total as on 31<sup>st</sup> March 2024</b> | <b>54194.40</b>                  | <b>2084.24</b> | <b>1152.49</b> | <b>55126.15</b>                   | <b>8303.24</b>                   | <b>2413.72</b>         | <b>202.22</b>       | <b>10514.74</b>                  | <b>44611.41</b>                   | <b>45891.16</b>                   |

| Particulars | As at 1 <sup>st</sup> April 2023 | Additions | Capitalised during the year | As at 1 <sup>st</sup> March 2024 |
|-------------|----------------------------------|-----------|-----------------------------|----------------------------------|
|             | Capital Work-In-Progress         | 1347.36   | 5582.29                     | 1309.62                          |

| Particulars                        | Amount in CWIP as at 31 <sup>st</sup> March 2024 |          |          | Total   |
|------------------------------------|--|----------|----------|---------|
|                                    | < 1Y   | 1Y to 2Y | 2Y to 3Y |         |
| i. projects in progress            | 4377.16  | 2.28     | 0.60     | 1239.99 |
| ii. projects temporarily suspended | -  | -        | -        | 5620.03 |

- Borrowing costs capitalized during the year for the assets held under Capital Work-in-progress is ₹ 130.34 Lakhs (31<sup>st</sup> March 2023: ₹ Nil)
- Details of security of property, plant and equipment subject to charge to secured borrowings is given in Note No. 33.
- The title deeds of immovable properties are held in the name of the Company.
- Capital Work-in-Progress whose completion is overdue or has exceeded its cost compared to its original plan as on 31<sup>st</sup> March 2024 is ₹ Nil (31<sup>st</sup> March 2023: ₹ Nil)

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**2. PROPERTY, PLANT & EQUIPMENT AND OTHER INTANGIBLE ASSETS**

Year ended 31<sup>st</sup> March 2023

(₹ in Lakhs)

|                               | Gross Carrying Amount            |                |                | Depreciation / Amortisation       |                                  |                        | Net Carrying Amount |                                  |                                   |                                   |
|-------------------------------|----------------------------------|----------------|----------------|-----------------------------------|----------------------------------|------------------------|---------------------|----------------------------------|-----------------------------------|-----------------------------------|
|                               | As at 1 <sup>st</sup> April 2022 | Additions      | Disposals      | As at 31 <sup>st</sup> March 2023 | Upto 31 <sup>st</sup> March 2022 | Charge during the year | Disposals           | Upto 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2022 |
| (i). Property, Plant & Equip. |                                  |                |                |                                   |                                  |                        |                     |                                  |                                   |                                   |
| Freehold Land                 | 6027.87                          | 5.59           | -              | 6033.46                           | -                                | -                      | -                   | -                                | 6033.46                           | 6027.87                           |
| Freehold Buildings            | 9551.09                          | 391.73         | -              | 9942.82                           | 1237.94                          | 409.43                 | -                   | 1647.37                          | 8295.45                           | 8313.15                           |
| Plant and Equipment           | 37234.01                         | 1489.27        | 1119.15        | 37604.13                          | 5037.29                          | 1922.61                | 724.43              | 6235.47                          | 31368.66                          | 32196.72                          |
| Office Equipment              | 66.40                            | 13.70          | 0.34           | 79.76                             | 40.37                            | 13.26                  | -                   | 53.63                            | 26.13                             | 26.03                             |
| Vehicles                      | 198.11                           | -              | -              | 198.11                            | 153.64                           | 10.44                  | -                   | 164.08                           | 34.03                             | 44.47                             |
| Furniture and Fittings        | 73.23                            | 36.70          | 1.02           | 108.91                            | 19.17                            | 10.10                  | -                   | 29.27                            | 79.64                             | 54.06                             |
| Computers                     | 65.57                            | 8.19           | 0.46           | 73.30                             | 41.93                            | 15.29                  | -                   | 57.22                            | 16.08                             | 23.64                             |
| <b>Total</b>                  | <b>53216.28</b>                  | <b>1945.18</b> | <b>1120.97</b> | <b>54040.49</b>                   | <b>6530.34</b>                   | <b>2381.13</b>         | <b>724.43</b>       | <b>8187.04</b>                   | <b>45853.45</b>                   | <b>46685.94</b>                   |
| (ii). Other Intangible Assets |                                  |                |                |                                   |                                  |                        |                     |                                  |                                   |                                   |
| Computer Software             | 151.91                           | 2.00           | -              | 153.91                            | 96.28                            | 19.92                  | -                   | 116.20                           | 37.71                             | 55.63                             |
| <b>Total</b>                  | <b>53368.19</b>                  | <b>1947.18</b> | <b>1120.97</b> | <b>54194.40</b>                   | <b>6626.62</b>                   | <b>2401.05</b>         | <b>724.43</b>       | <b>8303.24</b>                   | <b>45891.16</b>                   | <b>46741.57</b>                   |

| Particulars | As at 1 <sup>st</sup> April 2022 | Additions | Capitalised during the year | As at 1 <sup>st</sup> March 2023 |
|-------------|----------------------------------|-----------|-----------------------------|----------------------------------|
|             | Capital Work-In-Progress         | 1301.47   | 1484.12                     | 1438.23                          |

| Particulars                        | Amount in CWIP as at 31 <sup>st</sup> March 2023 |          |          |                |
|------------------------------------|--|----------|----------|----------------|
|                                    | < 1Y   | 1Y to 2Y | 2Y to 3Y | > 3Y           |
| i. projects in progress            | 106.77   | 0.60     | 1.12     | 1238.87        |
| ii. projects temporarily suspended | -  | -        | -        | -              |
| <b>Total</b>                       |  |          |          | <b>1347.36</b> |

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

|  | 31 <sup>st</sup> March 2024<br>(₹ in Lakhs) | 31 <sup>st</sup> March 2023<br>(₹ in Lakhs) |
|--|---|---|
| <b>3. INVESTMENTS</b>  |   |   |
| Trade, Unquoted - At Cost - Fully Paid-Up<br>Investment in Equity Instruments:               |   |   |
| Others:  |   |   |
| - Suzlon Engitech Ltd<br>59,903 (P.Y. 59,903) Equity shares of ₹ 10/- each                   | 5.99  | 5.99  |
| - Watsun Infrabuild Pvt Ltd<br>3,50,200 (P.Y. 3,50,200) Equity shares of ₹ 10/- each         | 35.02                                       | 35.02                                       |
| - Atria Wind Power Pvt Ltd<br>2,67,147 (P.Y. 2,67,147) Equity shares of ₹ 100/- each         | 699.93                                      | 699.93                                      |
| - SSKS Power Pvt Ltd<br>1,45,860 (P.Y. 1,45,860) Equity shares of ₹ 100/- each               | 145.86                                      | 145.86                                      |
| - Dalavaipuram Renewables Pvt Ltd<br>18,51,966 (P.Y. 25,90,934) Equity shares of ₹ 10/- each | 185.19                                      | 259.09                                      |
| - Atria Wind (Kadambur) Pvt Ltd<br>90,000 (P.Y. Nil) Equity shares of ₹ 10/- each            | 198.00                                      | -   |
| - Blyth Wind Park Pvt Ltd<br>10,000 (P.Y. Nil) Equity shares of ₹ 10/- each                  | 2.00  | -   |
| <b>Total</b>   | <b>1271.99</b>                              | <b>1145.89</b>                              |

| Particulars  | As at 31.03.2024 |                 | As at 31.03.2023 |                 |
|--|------------------|-----------------|------------------|-----------------|
|  | At Cost          | At Market Value | At Cost          | At Market Value |
| (a). Aggregate amount of quoted investments and market value thereof | -                | -               | -                | -               |
| (b). Aggregate amount of unquoted investments                        | 1271.99          | -               | 1145.89          | -               |
| (c). Aggregate amount of impairment in value of investments          | -                | -               | -                | -               |
|  | <b>1271.99</b>   | -               | <b>1145.89</b>   | -               |

|  |               |               |
|--|---------------|---------------|
| <b>4. OTHER NON-CURRENT ASSETS</b><br>(Unsecured, Considered Good) |               |               |
| Capital Advances   | 957.95        | 425.12        |
| <b>Total</b>   | <b>957.95</b> | <b>425.12</b> |

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

|  | 31 <sup>st</sup> March 2024<br>(₹ in Lakhs) | 31 <sup>st</sup> March 2023<br>(₹ in Lakhs) |
|--|---|---|
| <b>5. INVENTORIES</b>  |   |   |
| Raw Materials  | 3430.54                                     | 3363.04                                     |
| Work-In-progress   | 3975.54                                     | 4511.57                                     |
| Finished Goods   | 9483.88                                     | 6176.17                                     |
| Stores and Spares  | 1054.00                                     | 651.00                                      |
| Loose Tools  | 730.44                                      | 896.47                                      |
| Moulding Boxes & Patterns  | 294.81                                      | 220.96                                      |
| <b>Total</b>   | <b>18969.51</b>                             | <b>15819.21</b>                             |
| > Valued at lower of cost and net realisable value               |   |   |
| <b>6. TRADE RECEIVABLES</b>                                      |   |   |
| Secured, Considered Good   | -   | -   |
| Unsecured, Considered Good                                       | 30089.18                                    | 25592.27                                    |
| Trade Receivables which have significant increase in credit risk | -   | -   |
| Trade Receivables, Credit Impaired                               | -   | -   |
| (Less): Allowance for bad and doubtful debts                     | -   | -   |
| <b>Total</b>   | <b>30089.18</b>                             | <b>25592.27</b>                             |

| TRADE RECEIVABLES AGEING SCHEDULE                                       | Not Due         | O/s for following periods from due date of payment as at 31 <sup>st</sup> March 2024 |               |          |          |     | Total           |
|---|-----------------|--|---------------|----------|----------|-----|-----------------|
|   |                 | < 6M   | 6M to 1Y      | 1Y to 2Y | 2Y to 3Y | >3Y |                 |
| <b>Particulars</b>  |                 |  |               |          |          |     |                 |
| <b>Secured, Considered Good</b>   |                 |  |               |          |          |     |                 |
| Disputed  | -               | -  | -             | -        | -        | -   | -               |
| Undisputed  | -               | -  | -             | -        | -        | -   | -               |
| <b>Unsecured, Considered Good</b>                                       |                 |  |               |          |          |     |                 |
| Disputed  | -               | -  | -             | -        | -        | -   | -               |
| Undisputed  | 23782.67        | 6116.88  | 189.63        | -        | -        | -   | <b>30089.18</b> |
| <b>Trade Receivables which have significant increase in credit risk</b> |                 |  |               |          |          |     |                 |
| Undisputed  | -               | -  | -             | -        | -        | -   | -               |
| Disputed  | -               | -  | -             | -        | -        | -   | -               |
| <b>Trade Receivables, Credit Impaired</b>                               |                 |  |               |          |          |     |                 |
| Undisputed  | -               | -  | -             | -        | -        | -   | -               |
| Disputed  | -               | -  | -             | -        | -        | -   | -               |
| (Less): Allowance for bad and doubtful debts                            | -               | -  | -             | -        | -        | -   | -               |
| <b>Total</b>  | <b>23782.67</b> | <b>6116.88</b>   | <b>189.63</b> | -        | -        | -   | <b>30089.18</b> |

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

| TRADE RECEIVABLES AGEING SCHEDULE   | Not Due         | O/s for following periods from due date of payment<br>as at 31 <sup>st</sup> March 2023 |              |          |          |     | Total           |
|---|-----------------|---|--------------|----------|----------|-----|-----------------|
|   |                 | < 6M  | 6M to 1Y     | 1Y to 2Y | 2Y to 3Y | >3Y |                 |
| <b>Secured, Considered Good</b>   |                 |   |              |          |          |     |                 |
| Disputed  | -               | -   | -            | -        | -        | -   | -               |
| Undisputed  | -               | -   | -            | -        | -        | -   | -               |
| <b>Unsecured, Considered Good</b>   |                 |   |              |          |          |     |                 |
| Disputed  | -               | -   | -            | -        | -        | -   | -               |
| Undisputed  | 21492.48        | 4015.57   | 84.22        | -        | -        | -   | <b>25592.27</b> |
| <b>Trade Receivables which have significant<br/>increase in credit risk</b> |                 |   |              |          |          |     |                 |
| Undisputed  | -               | -   | -            | -        | -        | -   | -               |
| Disputed  | -               | -   | -            | -        | -        | -   | -               |
| <b>Trade Receivables, Credit Impaired</b>                                   |                 |   |              |          |          |     |                 |
| Undisputed  | -               | -   | -            | -        | -        | -   | -               |
| Disputed  | -               | -   | -            | -        | -        | -   | -               |
| (Less): Allowance for bad and doubtful debts                                | -               | -   | -            | -        | -        | -   | -               |
| <b>Total</b>  | <b>21492.48</b> | <b>4015.57</b>  | <b>84.22</b> | -        | -        | -   | <b>25592.27</b> |

|  | 31 <sup>st</sup> March 2024<br>(₹ in Lakhs) | 31 <sup>st</sup> March 2023<br>(₹ in Lakhs) |
|--|---|---|
| <b>7. CASH AND CASH EQUIVALENTS</b>                              |   |   |
| <b>Balances with Banks:</b>                                      |   |   |
| - In Current Accounts  | 502.40                                      | 1770.62                                     |
| - Short Term Fixed Deposits                                      | 7985.90                                     | 8707.49                                     |
| Cash on Hand   | 0.83  | 2.30  |
| <b>Total</b>   | <b>8489.13</b>                              | <b>10480.41</b>                             |
| <b>8. BANK BALANCES OTHER THAN (7) ABOVE</b>                     |   |   |
| Unpaid Dividend Accounts   | 8.17  | 8.64  |
| <b>Total</b>   | <b>8.17</b>                                 | <b>8.64</b>                                 |
| <b>9. OTHER FINANCIAL ASSETS</b>                                 |   |   |
| Deposits with Govt. Authorities                                  | 1781.01                                     | 1598.54                                     |
| Accrued Interest on Deposits                                     | 106.05                                      | 94.83                                       |
| Export Incentives receivable & Scrip/Licence Balance             | 138.97                                      | 68.97                                       |
| <b>Total</b>   | <b>2026.03</b>                              | <b>1762.34</b>                              |
| <b>10. CURRENT TAX ASSETS (NET)</b>                              |   |   |
| Advance Tax, TDS & TCS (net of provision)                        | 208.32                                      | -   |
| <b>Total</b>   | <b>208.32</b>                               | -   |
| <b>11. OTHER CURRENT ASSETS<br/>(Unsecured, Considered Good)</b> |   |   |
| Balances with Govt. / Statutory Authorities                      | 548.39                                      | 7.37  |
| Prepaid Expenses   | 22.53                                       | 31.04                                       |
| Rental Advance   | 66.00                                       | 66.00                                       |
| Advances for Supplies & Services                                 | 267.48                                      | 265.13                                      |
| Advances given to Employees                                      | 5.79  | 4.80  |
| <b>Total</b>   | <b>910.19</b>                               | <b>374.34</b>                               |



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### 12. EQUITY SHARE CAPITAL

|   | Number<br>of Shares | ₹<br>in Lakhs |
|---|---------------------|---------------|
| <b>Authorised:</b>                        |                     |               |
| Equity Share of ₹ 2/- each                |                     |               |
| <b>As at 1<sup>st</sup> April 2022</b>    | 125000000           | 2500.00       |
| Increase during the year                  | -                   | -             |
| <b>As at 31<sup>st</sup> March 2023</b>   | 125000000           | 2500.00       |
| Increase during the year                  | -                   | -             |
| <b>As at 31<sup>st</sup> March 2024</b>   | 125000000           | 2500.00       |
| <b>Issued, Subscribed and Paidup:</b>     |                     |               |
| Equity Share of ₹ 2/- each                |                     |               |
| <b>As at 1<sup>st</sup> April 2022</b>    | 87001200            | 1740.02       |
| Increase during the year                  | -                   | -             |
| <b>As at 31<sup>st</sup> March 2023</b>   | 87001200            | 1740.02       |
| Increase during the year                  | -                   | -             |
| <b>As at 31<sup>st</sup> March 2024</b>   | 87001200            | 1740.02       |
| <b>Movements in Equity Share Capital:</b> |                     |               |
| <b>As at 1<sup>st</sup> April 2022</b>    | 87001200            | 1740.02       |
| <b>As at 31<sup>st</sup> March 2023</b>   | 87001200            | 1740.02       |
| <b>As at 31<sup>st</sup> March 2024</b>   | 87001200            | 1740.02       |

#### Rights, preferences and restrictions on equity shares:

The Company has only one class of equity shares having a par value of ₹ 2/- per share.

Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian Rupees.

During the financial year 2023-24, ₹ 0.40 per share of ₹ 2/- has been paid as final dividend for the financial year 2022-23.

The Board of Directors have recommended a dividend of ₹ 0.40 per share of ₹ 2/- each for the year ended 31<sup>st</sup> March 2024 subject to the Shareholder's approval.

In the event of liquidation of the company, the shareholders will be entitled to receive the remaining assets of the company, in proportion to their shareholding.

#### Details of equity shareholders holding more than 5% :

| Name of the shareholder | As at 31.03.2024 |              | As at 31.03.2023 |              |
|-------------------------|------------------|--------------|------------------|--------------|
|                         | No. of shares    | %            | No. of shares    | %            |
| P. Deepak               | 34480000         | 39.63        | 34480000         | 39.63        |
| P. Deepak (HUF)         | 14500000         | 16.67        | 14500000         | 16.67        |
| P. Divya                | 16154249         | 18.57        | 16154249         | 18.57        |
|                         | <b>65134249</b>  | <b>74.87</b> | <b>65134249</b>  | <b>74.87</b> |

#### Details of equity shares held by Promoters :

| Name of the shareholder | As at 31.03.2024 |              |                             | As at 31.03.2023 |              |                             |
|-------------------------|------------------|--------------|-----------------------------|------------------|--------------|-----------------------------|
|                         | No. of shares    | %            | % change<br>during the year | No. of shares    | %            | % change<br>during the year |
| P. Deepak               | 34480000         | 39.63        | 0.00                        | 34480000         | 39.63        | 0.02                        |
| P. Deepak (HUF)         | 14500000         | 16.67        | 0.00                        | 14500000         | 16.67        | 0.01                        |
| P. Divya                | 16154249         | 18.57        | 0.00                        | 16154249         | 18.57        | 0.00                        |
|                         | <b>65134249</b>  | <b>74.87</b> | <b>0.00</b>                 | <b>65134249</b>  | <b>74.87</b> | <b>0.03</b>                 |

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

|  | 31 <sup>st</sup> March 2024<br>(₹ in Lakhs) | 31 <sup>st</sup> March 2023<br>(₹ in Lakhs) |
|--|---|---|
| <b>13. OTHER EQUITY</b>                      |   |   |
| Securities Premium Account                   | 8774.13                                     | 8774.13                                     |
| General Reserve                              | 22500.00                                    | 22500.00                                    |
| Retained Earnings                            | 18904.93                                    | 13825.91                                    |
| <b>Total Reserves and Surplus</b>            | <b><u>50179.06</u></b>                      | <b><u>45100.04</u></b>                      |
| <b>Securities Premium Account</b>            |   |   |
| Opening Balance                              | 8774.13                                     | 8774.13                                     |
| Additions during the year                    | -   | -   |
| (Deductions) / (Adjustments) during the year | -   | -   |
| <b>Closing Balance</b>                       | <b><u>8774.13</u></b>                       | <b><u>8774.13</u></b>                       |
| <b>General Reserve</b>                       |   |   |
| Opening Balance                              | 22500.00                                    | 22500.00                                    |
| Additions during the year                    | -   | -   |
| (Deductions) / (Adjustments) during the year | -   | -   |
| <b>Closing Balance</b>                       | <b><u>22500.00</u></b>                      | <b><u>22500.00</u></b>                      |
| <b>Retained Earnings</b>                     |   |   |
| Opening Balance                              | 13825.91                                    | 11153.72                                    |
| Total Comprehensive Income for the year      | 5427.03                                     | 2933.19                                     |
| <b>Amount available for Appropriation</b>    | <b><u>19252.94</u></b>                      | <b><u>14086.91</u></b>                      |
| <b>Appropriations:</b>                       |   |   |
| - General Reserve                            | -   | -   |
| - Dividend on Equity Shares                  | 348.01                                      | 261.00                                      |
| <b>Closing Balance</b>                       | <b><u>18904.93</u></b>                      | <b><u>13825.91</u></b>                      |

Notes:

- Securities premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 for the specified purposes.
- General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.,

|  |                       |                        |
|--|-----------------------|------------------------|
| <b>14. BORROWINGS</b>                      |                       |                        |
| Term Loan from Banks<br>(Refer Note No.33) | 9795.11               | 10067.05               |
| <b>Total</b>                               | <b><u>9795.11</u></b> | <b><u>10067.05</u></b> |

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

|  | 31 <sup>st</sup> March 2024<br>(₹ in Lakhs) | 31 <sup>st</sup> March 2023<br>(₹ in Lakhs) |
|--|---|---|
| <b>15. DEFERRED TAX LIABILITIES (NET)</b>                                  |   |   |
| Deferred Tax Liability :   |   |   |
| - Property, Plant & Equipment and Other Intangible Assets                  | 4678.35                                     | 4476.43                                     |
| Deferred Tax Asset :   |   |   |
| - Employee benefits  | (76.76)                                     | (69.85)                                     |
| <b>Total</b>   | <b>4601.59</b>                              | <b>4406.58</b>                              |
| <b>16. BORROWINGS</b>  |   |   |
| Secured Loans Repayable on Demand to Banks:                                |   |   |
| - Working Capital Loans (Refer Note No.33)                                 | 19865.46                                    | 16938.93                                    |
| Current Maturities of Long-Term Debt:                                      |   |   |
| - Term Loans from Banks (Refer Note No.33)                                 | 3231.76                                     | 3361.77                                     |
| <b>Total</b>   | <b>23097.22</b>                             | <b>20300.70</b>                             |
| <b>17. TRADE PAYABLES</b>  |   |   |
| Trade Payables:  |   |   |
| Total outstanding dues of Micro and Small Enterprises (Refer Note No.40)   | 2456.74                                     | 3065.77                                     |
| Total outstanding dues of creditors other than Micro and Small Enterprises | 18905.02                                    | 15201.78                                    |
| <b>Total</b>   | <b>21361.76</b>                             | <b>18267.55</b>                             |

| TRADE PAYABLES AGEING SCHEDULE           | Not Due         | 0/s for following periods from due date of payment as at 31 <sup>st</sup> March 2024 |          |          |     |                 |
|--|-----------------|--|----------|----------|-----|-----------------|
|  |                 | <1Y  | 1Y to 2Y | 2Y to 3Y | >3Y | Total           |
| i. undisputed, Micro & Small Enterprises | 2456.74         | -  | -        | -        | -   | 2456.74         |
| ii. undisputed, Others                   | 18532.26        | 372.76   | -        | -        | -   | 18905.02        |
| iii. disputed, Micro & Small Enterprises | -               | -  | -        | -        | -   | -               |
| iv. disputed, Others                     | -               | -  | -        | -        | -   | -               |
| <b>Total</b>                             | <b>20989.00</b> | <b>372.76</b>  | -        | -        | -   | <b>21361.76</b> |

| TRADE PAYABLES AGEING SCHEDULE           | Not Due         | 0/s for following periods from due date of payment as at 31 <sup>st</sup> March 2023 |          |          |     |                 |
|--|-----------------|--|----------|----------|-----|-----------------|
|  |                 | <1Y  | 1Y to 2Y | 2Y to 3Y | >3Y | Total           |
| i. undisputed, Micro & Small Enterprises | 3065.77         | -  | -        | -        | -   | 3065.77         |
| ii. undisputed, Others                   | 15085.67        | 116.11   | -        | -        | -   | 15201.78        |
| iii. disputed, Micro & Small Enterprises | -               | -  | -        | -        | -   | -               |
| iv. disputed, Others                     | -               | -  | -        | -        | -   | -               |
| <b>Total</b>                             | <b>18151.44</b> | <b>116.11</b>  | -        | -        | -   | <b>18267.55</b> |

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

|   | 31 <sup>st</sup> March 2024<br>(₹ in Lakhs) | 31 <sup>st</sup> March 2023<br>(₹ in Lakhs) |
|---|---|---|
| <b>18. OTHER FINANCIAL LIABILITIES</b>                |   |   |
| Unpaid Dividends                                      | 8.17  | 8.64  |
| <b>Total</b>  | <b>8.17</b>                                 | <b>8.64</b>                                 |
| <b>19. OTHER CURRENT LIABILITIES</b>                  |   |   |
| Statutory Dues  | 504.93                                      | 912.81                                      |
| Advances received from Customers                      | 329.84                                      | 366.75                                      |
| Outstanding Expenses                                  | 960.60                                      | 918.97                                      |
| <b>Total</b>  | <b>1795.37</b>                              | <b>2198.53</b>                              |
| <b>20. PROVISIONS</b>                                 |   |   |
| Provision for Employee Benefits:                      |   |   |
| - Gratuity  | 121.33                                      | 144.23                                      |
| - Bonus   | 191.28                                      | 178.34                                      |
| <b>Total</b>  | <b>312.61</b>                               | <b>322.57</b>                               |
| <b>21. CURRENT TAX LIABILITIES (NET)</b>              |   |   |
| Provision for Income Tax (Net of Adv. Tax, TDS & TCS) | -   | 164.06                                      |
| <b>Total</b>  | <b>-</b>                                    | <b>164.06</b>                               |

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

|   | 31 <sup>st</sup> March 2024<br>(₹ in Lakhs) | 31 <sup>st</sup> March 2023<br>(₹ in Lakhs) |
|---|---|---|
| <b>22. REVENUE FROM OPERATIONS</b>  |   |   |
| Sale of Products  | 125756.51                                   | 125802.84                                   |
| Export Incentives   | 937.74                                      | 594.58                                      |
| <b>Total</b>  | <b>126694.25</b>                            | <b>126397.42</b>                            |
| <b>23. OTHER INCOME</b>   |   |   |
| Interest Income   | 631.40                                      | 393.62                                      |
| Gain on Foreign Currency Transaction (Net)  | 729.28                                      | 1220.78                                     |
| Gain on sale of assets  | 66.67                                       | -   |
| Gain on Sale of Investments   | -   | 0.02  |
| <b>Total</b>  | <b>1427.35</b>                              | <b>1614.42</b>                              |
| <b>24. COST OF MATERIALS CONSUMED</b>   |   |   |
| Raw Materials at the beginning of the year  | 3363.04                                     | 3028.53                                     |
| Add: Purchases  | 58776.19                                    | 63577.70                                    |
| (Less): Raw Materials at the end of the year  | (3430.54)                                   | (3363.04)                                   |
| <b>Cost of Materials Consumed</b>   | <b>58708.69</b>                             | <b>63243.19</b>                             |
| <b>25. CHANGES IN INVENTORIES OF FINISHED GOODS (FG) &amp; WORK-IN-PROGRESS (WIP)</b> |   |   |
| <b>Closing Stock</b>  |   |   |
| Finished Goods  | 9483.88                                     | 6176.17                                     |
| Work-In-Progress  | 3975.54                                     | 4511.57                                     |
|   | <b>13459.42</b>                             | <b>10687.74</b>                             |
| <b>Opening Stock</b>  |   |   |
| Finished Goods  | 6176.17                                     | 6052.82                                     |
| Work-In-Progress  | 4511.57                                     | 4730.82                                     |
|   | <b>10687.74</b>                             | <b>10783.64</b>                             |
| <b>Changes in Inventories of FG &amp; WIP</b>   | <b>(2771.68)</b>                            | <b>95.90</b>                                |
| <b>26. EMPLOYEE BENEFITS EXPENSE</b>  |   |   |
| Salaries, Wages and Bonus   | 6416.35                                     | 5573.65                                     |
| Contribution to Provident and Other Funds   | 532.85                                      | 476.86                                      |
| Staff Welfare Expenses  | 473.13                                      | 374.85                                      |
| <b>Total</b>  | <b>7422.33</b>                              | <b>6425.36</b>                              |

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

|  | 31 <sup>st</sup> March 2024<br>(₹ in Lakhs) | 31 <sup>st</sup> March 2023<br>(₹ in Lakhs) |
|--|---|---|
| <b>27. FINANCE COSTS</b>                           |   |   |
| Interest Expense                                   | 2424.31                                     | 2377.15                                     |
| Other Borrowing Costs                              | 734.03                                      | 740.81                                      |
| <b>Total</b>                                       | <b>3158.34</b>                              | <b>3117.96</b>                              |
| <b>28. DEPRECIATION &amp; AMORTISATION EXPENSE</b> |   |   |
| Property, Plant and Equipment                      | 2396.86                                     | 2381.13                                     |
| Other Intangible Assets                            | 16.86                                       | 19.92                                       |
| <b>Total</b>                                       | <b>2413.72</b>                              | <b>2401.05</b>                              |
| <b>29. OTHER EXPENSES</b>                          |   |   |
| Consumption of Stores and Spares                   | 3957.14                                     | 4177.78                                     |
| Fettling and Other Manufacturing Expenses          | 21848.55                                    | 17845.18                                    |
| Power and Fuel                                     | 13333.37                                    | 12598.34                                    |
| Freight and Forwarding Charges                     | 7429.66                                     | 8031.76                                     |
| Repairs and Maintenance:                           |   |   |
| - Plant and Machinery                              | 3226.91                                     | 2658.53                                     |
| - Buildings  | 175.51                                      | 76.35                                       |
| Rent   | 144.01                                      | 139.71                                      |
| Insurance  | 287.32                                      | 176.75                                      |
| Rates and taxes                                    | 36.34                                       | 31.81                                       |
| Printing and Stationery                            | 31.21                                       | 32.95                                       |
| Travelling and Conveyance                          | 293.34                                      | 266.32                                      |
| CSR Expenses (Refer Note No. 34)                   | 45.04                                       | 46.27                                       |
| Advertisement                                      | 2.75  | 2.20  |
| Legal and Professional Charges                     | 140.80                                      | 117.70                                      |
| Communication Charges                              | 20.68                                       | 19.83                                       |
| Payment to Auditors:                               |   |   |
| - Audit Fee  | 16.00                                       | 16.00                                       |
| - Tax Audit Fee                                    | 3.00  | 3.00  |
| Sitting Fee to Directors                           | 18.90                                       | 16.70                                       |
| Books, Periodicals & Subscriptions                 | 14.07                                       | 13.99                                       |
| Vehicle and Office Maintenance                     | 136.00                                      | 114.13                                      |
| Selling Expenses                                   | 2941.12                                     | 2266.38                                     |
| Loss on Assets Sold/Scrapped (Net)                 | -   | 38.22                                       |
| Miscellaneous Expenses                             | 6.64  | 6.78  |
| <b>Total</b>                                       | <b>54108.36</b>                             | <b>48696.68</b>                             |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**30.** The Company has Exceptional Items for an amount of ₹ 1779.79 Lakhs on account of profit on sale of surplus land which is part of Property, Plant & Equipment during the year ended 31<sup>st</sup> March 2024 (₹ Nil for the year ended 31<sup>st</sup> March 2023).

### **31. TAX EXPENSES**

The major components of Income Tax are given below:

(₹ in Lakhs)

| Particulars  | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|--|-----------------------------|-----------------------------|
| <b>Profit or Loss:</b>   |                             |                             |
| Current Tax:   |                             |                             |
| Current Income Tax Charge  | 1220.76                     | 732.13                      |
| Adjustment of current tax of previous year                                     | -                           | -                           |
| <b>Total</b>   | -                           | -                           |
| Deferred Tax:  |                             |                             |
| Relating to the origination and reversal of temporary differences              | 199.75                      | 326.03                      |
| <b>Income tax expense reported in the Statement of Profit and Loss</b>         | <b>1420.51</b>              | <b>1058.16</b>              |
| <b>Other Comprehensive Income:</b>   |                             |                             |
| Current Tax:   |                             |                             |
| Tax related to items recognised in other comprehensive income during the year: |                             |                             |
| Remeasurement of Defined Benefit Plans   | (4.74)                      | (13.57)                     |
| <b>Income tax charged to Other Comprehensive Income</b>                        | <b>(4.74)</b>               | <b>(13.57)</b>              |

### **Reconciliation of tax expense and the accounting profit multiplied by India's Domestic Tax rate for 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2023:**

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

(₹ in Lakhs)

| Particulars   | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|---|-----------------------------|-----------------------------|
| Accounting Profit before income tax & Exceptional items | 5081.84                     | 4031.70                     |
| Enacted tax rate in India*                              | 25.168%                     | 25.168%                     |
| Profit before income tax multiplied by enacted tax rate | 1279.00                     | 1014.70                     |
| Effects of:   |                             |                             |
| Allowances under Income Tax Act                         | (59.75)                     | (308.36)                    |
| Disallowances under Income Tax Act                      | 1.51                        | 25.79                       |
| Adjustment of current tax of previous year              | -                           | -                           |
| <b>Net effective Income Tax</b>                         | <b>1220.76</b>              | <b>732.13</b>               |

\*on Capital Gains it is 22.88%

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**32. EARNINGS PER SHARE**

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

The Basic and Diluted EPS calculations are given below:

| Particulars                                | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|--|-----------------------------|-----------------------------|
| Profit After Tax (₹ in Lakhs)              | 5441.12                     | 2973.54                     |
| Weighted average number of shares in Lakhs |                             |                             |
| - Basic                                    | 870.01                      | 870.01                      |
| - Diluted                                  | 870.01                      | 870.01                      |
| Earnings per share of ₹ 2/- each           |                             |                             |
| - Basic                                    | 6.25                        | 3.42                        |
| - Diluted                                  | 6.25                        | 3.42                        |

- 33.** (i). Term Loans from Banks are secured by equitable mortgage of land, building and hypothecation of plant and machinery present and future. Working Capital Loans repayable on demand is fully secured by hypothecation of raw materials, stocks in process, finished goods, stores, book debts and second charge on Plant & Equipment situated at Gudur Plant.
- (ii). The monthly statements of book debts and inventories filed by the Company with the Banks are in agreement with the books of accounts.
- (iii). Terms of Repayment
- | Loan Description  | Repayment Terms        |
|-------------------|------------------------|
| Term Loan - Banks | Quarterly Installments |
- (iv). There is no default in repayment of dues.

**34. DETAILS OF CSR EXPENDITURE**

(₹ in Lakhs)

| Particulars   | 31 <sup>st</sup> March 2024   | 31 <sup>st</sup> March 2023   |
|---|---|---|
| i. amount required to be spent by the Company during the year   | 47.77   | 41.43   |
| ii. amount of expenditure incurred  | 49.88   | 46.27   |
| iii. shortfall at the end of the year   | -   | -   |
| iv. total of previous years shortfall   | -   | -   |
| v. reason for shortfall   | -   | -   |
| vi. nature of CSR activities  | Healthcare, Vocational Training, Promoting Education, Community Development and Rural Development | Healthcare, Vocational Training, Promoting Education, Community Development, Rural Development and Environment Protection |
| vii. details of related party transactions (e.g. contribution to trust controlled by Company)   | -   | -   |
| viii. where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately. | -   | -   |



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### 35. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### **Defined employee benefit plans (Gratuity)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about defined benefit gratuity plan are given in Note No. 43.

#### **Fair value measurement of financial instruments**

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

#### **Impairment of non-financial assets**

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

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**36. COMMITMENTS**

(₹ in Lakhs)

| Particulars  | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|--|-----------------------------|-----------------------------|
| Estimated amount of contracts remaining to be executed and not provided for in these accounts (net of advances) in respect of acquisition of assets. | 1131.10                     | 381.23                      |

**37. CONTINGENT LIABILITIES**

| Particulars  | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|--|-----------------------------|-----------------------------|
| Bank Guarantees  | 80.00                       | 80.00                       |
| Letter of Credit   | 101.91                      | -                           |
| Claims against the company not acknowledged as debts primarily towards (net of amount paid to statutory authorities):<br>- sales tax | 17.11                       | 17.11                       |

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

**38. SEGMENT REPORTING UNDER IND AS 108**

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

(₹ in Lakhs)

| Year ended                  | India    | Others   | Total            |
|-----------------------------|----------|----------|------------------|
| 31 <sup>st</sup> March 2024 | 81229.27 | 44527.24 | <b>125756.51</b> |
| 31 <sup>st</sup> March 2023 | 92861.86 | 32940.98 | <b>125802.84</b> |

Out of the above said revenue two customers represent more than 10% of the gross revenue and in total contribute 27.12% of the gross revenue.

**38. AUDITOR'S REMUNERATION**

(₹ in Lakhs)

| Particulars          | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|----------------------|-----------------------------|-----------------------------|
| Statutory Audit Fees | 16.00                       | 16.00                       |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

(₹ in Lakhs)

| Particulars  | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|--|-----------------------------|-----------------------------|
| i. The principal amount (2023-24: 2456.74, 2022-23: 3065.77) and the interest due (2023-24: Nil, 2022-23: Nil) thereon remain unpaid to suppliers at the end of each accounting year.  | 2456.74                     | 3065.77                     |
| ii. The amount of interest paid by the buyer as per section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.  | -                           | -                           |
| iii. The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.                    | -                           | -                           |
| iv. The amount of interest accrued and remaining unpaid at the end of each accounting year.  | -                           | -                           |
| v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure. | -                           | -                           |

### 41. FOREIGN EXCHANGE EARNINGS AND OUT-GO

(₹ in Lakhs)

| Particulars               | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|---------------------------|-----------------------------|-----------------------------|
| Foreign Exchange Earnings | 42295.46                    | 29947.89                    |
| Foreign Exchange Out-Go   | 4762.94                     | 4114.29                     |

### 42. LEASES

The Company has only short term leases with lease term of 12 months or low value. The Company applies short term leases and low value leases recognition exemption from the leases. The amount debited to P&L Account is ₹ 144.01 Lakhs for the year ended 31.03.2024 (₹ 139.71 Lakhs for the year ended 31.03.2023).

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**43. EMPLOYEE BENEFITS**

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

(₹ in Lakhs)

| Particulars  | Present Value of Obligation | Fair Value of Plan Assets | Total        |
|--|-----------------------------|---------------------------|--------------|
| <b>1<sup>st</sup> April 2022</b>   | <b>1076.99</b>              | <b>(1063.66)</b>          | <b>13.33</b> |
| Current Service Cost   | 79.82                       | -                         | 79.82        |
| Past Service Cost  | -                           | -                         | -            |
| Interest Expense / (Income)  | 75.39                       | <b>(74.01)</b>            | 1.38         |
| <b>Total amount recognised in Statement of Profit and Loss</b>                     | <b>155.21</b>               | <b>(74.01)</b>            | <b>81.20</b> |
| <b>Re-measurements</b>   |                             |                           |              |
| - Return on plan assets, excluding amounts included in interest expense / (Income) | -                           | -                         | -            |
| - (Gain)/Loss from change in demographic assumptions                               | 53.92                       | -                         | 53.92        |
| - (Gain)/Loss from change in financial assumptions                                 | -                           | -                         | -            |
| - Experience (Gains)/Losses  | -                           | -                         | -            |
| - Changes in asset ceiling excluding amounts included in interest expense          | -                           | -                         | -            |
| <b>Total amount recognised in other comprehensive income</b>                       | <b>53.92</b>                | <b>-</b>                  | <b>53.92</b> |
| - Employer Contributions   | -                           | (105.95)                  | (105.95)     |
| - Benefit Payments   | (88.48)                     | 88.48                     | -            |
| <b>31<sup>st</sup> March 2023</b>  | <b>1197.64</b>              | <b>(1155.14)</b>          | <b>42.50</b> |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

| Particulars  | Present Value of Obligation | Fair Value of Plan Assets | Total         |
|--|-----------------------------|---------------------------|---------------|
| <b>1<sup>st</sup> April 2023</b>   | <b>1197.64</b>              | <b>(1155.14)</b>          | <b>42.50</b>  |
| Current Service Cost   | 89.19                       | -                         | 89.19         |
| Past Service Cost  | -                           | -                         | -             |
| Interest Expense / (Income)  | 86.83                       | (83.59)                   | 3.24          |
| <b>Total amount recognised in Statement of Profit and Loss</b>                     | <b>176.02</b>               | <b>(83.59)</b>            | <b>92.43</b>  |
| <b>Re-measurements</b>   |                             |                           |               |
| - Return on plan assets, excluding amounts included in interest expense / (Income) | -                           | -                         | -             |
| - (Gain)/Loss from change in demographic assumptions                               | 18.83                       | -                         | 18.83         |
| - (Gain)/Loss from change in financial assumptions                                 | -                           | -                         | -             |
| - Experience (Gains)/Losses  | -                           | -                         | -             |
| - Changes in asset ceiling excluding amounts included in interest expense          | -                           | -                         | -             |
| <b>Total amount recognised in other comprehensive income</b>                       | <b>18.83</b>                | <b>-</b>                  | <b>18.83</b>  |
| - Employer Contributions   | -                           | (32.43)                   | (32.43)       |
| - Benefit Payments   | (88.33)                     | 88.33                     | -             |
| <b>31<sup>st</sup> March 2024</b>  | <b>1304.16</b>              | <b>(1182.83)</b>          | <b>121.33</b> |

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

| Particulars                              | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|--|-----------------------------|-----------------------------|
| Present value of funded obligations      | 1304.16                     | 1197.64                     |
| Fair value of plan assets                | (1182.83)                   | (1155.14)                   |
| <b>Deficit/(Excess) of Funded Plan</b>   | <b>121.33</b>               | <b>42.50</b>                |
| Unfunded plans                           | -                           | -                           |
| <b>Deficit/(Excess) of Gratuity Plan</b> | <b>121.33</b>               | <b>42.50</b>                |

(iii) Significant Estimates: Actuarial assumptions and sensitivity

| Particulars                    | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|--------------------------------|-----------------------------|-----------------------------|
| Discount Rate                  | 7.25%                       | 7.25%                       |
| Expected return on Plan Assets | 7.00%                       | 7.00%                       |
| Salary Growth Rate             | 7.00%                       | 7.00%                       |
| Attrition Rate (depend on age) | 1% to 3%                    | 1% to 3%                    |

#### 44. FAIR VALUES

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

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

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### 45. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to maximise the shareholder value. For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders.

The Group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group determines the amount of capital required on the basis of annual operating plan coupled with long term, strategic investment and expansion plans. The funding requirements are met through equity, internal accruals and a combination of both long-term and short-term borrowings.

The Group monitors the capital structure on the basis of net debt to equity of the Group. Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances and current investments.

(₹ in Lakhs)

| Particulars                       | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|-----------------------------------|-----------------------------|-----------------------------|
| Debt                              | 32892.33                    | 30367.75                    |
| (Less): Cash and Cash Equivalents | (8485.78)                   | (10476.47)                  |
| <b>Net Debt</b>                   | <b>24406.55</b>             | <b>19891.28</b>             |
| Total Equity                      | 51919.08                    | 46840.06                    |
| <b>Net Debt to Equity Ratio</b>   | <b>0.47</b>                 | <b>0.42</b>                 |

### 46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

#### a. Credit Risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, loans and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**b. Liquidity Risk:**

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

**c. Market Risk:**

External factors such as government policies and rainfall could have a significant impact on sales of Tractors and Commercial Vehicles, which are cyclical in nature. To mitigate the risk of seasonality & cyclicity in the domestic market, the Company has been developing its exports and products in other segments viz. off-highway, railways etc.,

**Input Cost Risk:**

Our profitability and cost effectiveness may be affected due to change in the prices of raw materials, power and other input costs. While we are typically able to pass on these costs to our customers with a slight lag. This risk is significant and is carefully monitored.

**Interest Rate Risk:**

The Company is exposed to interest rate risk pertaining to funds borrowed from Banks. The Company works closely with our banks and using its working capital effectively to minimize the overall interest costs. The exposure of Company's borrowings to interest rate changes at the end of the reporting period is as follows:

| Particulars                   | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|-------------------------------|-----------------------------|-----------------------------|
| Total Borrowings (₹ in Lakhs) | 32892.33                    | 30367.75                    |

Interest rate sensitivity analysis:

The below given sensitivity analysis has been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. A 30 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible change in interest rates.

If interest rates had been 30 basis points higher / lower, the Company's profit / loss for the year ended 31<sup>st</sup> March 2024 would decrease / increase by ₹ 98.68 lakhs (31<sup>st</sup> March 2023 decrease / increase by ₹ 91.10 lakhs).

**Foreign Currency Risk:**

The Company's exposure on foreign currency is primarily through earnings from exports. The company also import some capital goods and raw materials only when prices are favourable. However, this exposure is typically short term. The company does selective hedging of imports and exports to hedge its risks associated with exchange rates. Any substantial long-term liabilities viz. ECBs are fully hedged by the Company.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### Unhedged foreign Currency

The Company's unhedged foreign currency exposure is as follows :

(₹ in Lakhs)

| Particulars                      | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|----------------------------------|-----------------------------|-----------------------------|
| FCY Receivables                  | 21001.52                    | 15169.24                    |
| Hedged                           | 4001.95                     | 4675.98                     |
| <b>Un-hedged Receivables (a)</b> | <b>16999.57</b>             | <b>10493.26</b>             |

| Particulars                   | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|-------------------------------|-----------------------------|-----------------------------|
| FCY Payables                  | 5454.40                     | 6301.85                     |
| Hedged                        | 5321.05                     | 5986.18                     |
| <b>Un-hedged Payables (b)</b> | <b>133.35</b>               | <b>315.67</b>               |

|                                  |                 |                 |
|----------------------------------|-----------------|-----------------|
| <b>Un-hedged Net (c = a - b)</b> | <b>16866.22</b> | <b>10177.59</b> |
|----------------------------------|-----------------|-----------------|

Foreign Currency sensitivity analysis:

The Company is exposed mainly to US Dollar and EURO currencies. A 4% sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents Management's assessment of the reasonably possible change in foreign currency rates. The below given table shows the Company's sensitivity to a 4% increase or decrease against the relevant foreign currencies.

If the currency had been fluctuated by 4% higher / lower, the Company's profit / loss for the year ended 31<sup>st</sup> March 2024 would increase / decrease by ₹ 674.65 lakhs (31 March 2023 increase / decrease by ₹ 407.10 lakhs).

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

| Name of the Entity                     | Net assets i.e. total assets minus total liabilities |                 | Share in Profit or Loss           |                | Share in Other Comprehensive (Income)/ Loss |              | Share in Total Comprehensive Income |                |
|--|--|-----------------|-----------------------------------|----------------|---|--------------|-------------------------------------|----------------|
|  | As a % of Consolidated net assets                    | ₹ in Lakhs      | As a % of Consolidated net assets | ₹ in Lakhs     | As a % of Consolidated net assets           | ₹ in Lakhs   | As a % of Consolidated net assets   | ₹ in Lakhs     |
| <b>Parent</b><br>Nelcast Limited       | 99.48%   | 51919.08        | 100.00%                           | 5441.12        | 100.00%                                     | 14.09        | 100.00%                             | 5427.03        |
| <b>Subsidiary</b><br>NC Energy Limited | 0.52%  | 271.00          | 0.00%                             | 0.00           | 0.00%                                       | 0.00         | 0.00%                               | 0.00           |
| <b>Total</b>                           | <b>100.00%</b>                                       | <b>52190.08</b> | <b>100.00%</b>                    | <b>5441.12</b> | <b>100.00%</b>                              | <b>14.09</b> | <b>100.00%</b>                      | <b>5427.03</b> |



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**48. RELATED PARTY DISCLOSURE**

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

**Key Management Personnel (KMP):**

1. Mr. P. Deepak, Managing Director
2. Mr. S.K. Sivakumar, Chief Financial Officer & Company Secretary
3. Mr. D. Sessa Reddy, Independent Director
4. Mr. A. Balasubramanian, Independent Director
5. Ms. Maheswari Mohan, Independent Director
6. Mr. R. Sridharan, Independent Director

**Relatives / Enterprises related to Key Management Personnel (KMP):**

1. Mrs. P. Jamuna
2. Mrs. S. Vijayalakshmi
3. M/s. MIC USA LLC

**a) Transactions with related parties (2023-24)**

(₹ in Lakhs)

| Nature of Transactions                       | KMP          | Relatives to KMP | Enterprises related to KMP |
|--|--------------|------------------|----------------------------|
| Remuneration                                 | 372.04       | -                | -                          |
| Rental Payments                              | -            | 152.03           | -                          |
| Other Payments                               | -            | -                | 1044.99                    |
| Sitting Fees to Independent Directors        | 18.90        | -                | -                          |
| <b>Payable/(Receivable) as on 31.03.2024</b> | <b>26.97</b> | -                | <b>67.28</b>               |

**b) Transactions with related parties (2022-23)**

(₹ in Lakhs)

| Nature of Transactions                       | KMP          | Relatives to KMP | Enterprises related to KMP |
|--|--------------|------------------|----------------------------|
| Remuneration                                 | 307.17       | -                | -                          |
| Rental Payments                              | -            | 147.23           | -                          |
| Other Payments                               | -            | -                | 748.45                     |
| Sitting Fees to Independent Directors        | 16.70        | -                | -                          |
| <b>Payable/(Receivable) as on 31.03.2023</b> | <b>37.72</b> | -                | <b>61.55</b>               |

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

**As per our report of even date**

**For and on behalf of the Board**

**For K NAGARAJU & ASSOCIATES**

Chartered Accountants  
Firm Regn No. 002270S

**K. NAGARAJU**

Partner  
Membership No. 024344

Place : Chennai  
Date : 13<sup>th</sup> May 2024

**D. Sessa Reddy**

Chairman  
DIN: 00520448

**A. Balasubramanian**

Director  
DIN: 00490921

**P. Deepak**

Managing Director  
DIN: 02785326

**S. K. Sivakumar**

Chief Financial Officer &  
Company Secretary





