

**MAGNA**

MAGNA  
ELECTRO  
CASTINGS  
LIMITED

**Annual Report  
2023 - 2024**



<b>Board of Directors</b>	Sri.J.Vijayakumar	-DIN:00002530
	Sri.K.Gnanasekaran	-DIN:00133645
	Dr.R.Nandini	-DIN:00002223
	Dr.Jairam Varadaraj	-DIN:00003361
	Sri. G. D. Rajkumar	-DIN:00197696
	Sri. Ajeya Vel Narayanaswamy	-DIN:07553660
	Smt. Vijayalakshmi Narendra	-DIN:00412374
<b>Managing Director</b>	Sri.N.Krishna Samaraj	-DIN:00048547
<b>Executive Director</b>	Sri. M. Malmarugan	-DIN:09610329
<b>Chief Financial Officer</b>	Sri.R.Ravi	
<b>Company Secretary</b>	Ms. Divya Duraisamy	
<b>Auditors</b>		
<b>Statutory Auditors</b>	M/s. VKS Aiyer & Co., Firm Reg.No. 000066S Chartered Accountants Coimbatore	
<b>Internal Auditors</b>	M/s S.Krishnamoorthy & Co Firm Reg.No.001496S Chartered Accountants Coimbatore	
<b>Secretarial Auditors</b>	M/s.MDS & Associates LLP LLPIN: ABZ-8060 Company Secretaries Coimbatore	
<b>Cost Auditors</b>	M/s.SBK & Associates Firm Reg.No.000342 Cost Accountants Chennai	
<b>Bankers</b>	1. Union Bank of India, Industrial Finance Branch 1604, Trichy road, Coimbatore 641 018  2. Axis Bank Trichy Road, Voltas Tower Coimbatore 641 018	
<b>Registrars &amp; Share Transfer Agents</b>	Link Intime India Private Limited "Surya" 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road,Coimbatore - 641028	
<b>Listing with Stock Exchange</b>	BSE Limited, Mumbai	
<b>Corporate Identification No.</b>	L31103TZ1990PLC002836	
<b>Registered Office</b>	43, (Old No.62), Balasundaram Road, Coimbatore 641 018 Phone: 91 422 2240109   Fax : 91 422 2246209	

## Factory

### **A. FOUNDRY DIVISION**

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

### **B. WIND ENERGY DIVISION**

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

### **C. SOLAR ENERGY DIVISION (Captive user basis)**

Pillur and Kovanur Village, Sivaganga District

## Internet

e-mail : [info@magnacast.com](mailto:info@magnacast.com)

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

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**NOTICE TO MEMBERS:**

NOTICE is hereby given that the 34th Annual General Meeting ('AGM') of the Members of Magna Electro Castings Limited will be held on Friday, 16th August, 2024 at 4.00.P.M. Indian Standard Time (IST) through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') without the in-person presence of members to transact the following business(es): -

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements including Balance Sheet as on 31st March, 2024, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow for the year ended on that date together with the Directors' Report and the Auditors' Report thereon.
2. To declare a dividend for the year ended 31st March, 2024.
3. To appoint a director in place of Sri. Ajeya Vel Narayanaswamy (DIN: 07553660), who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

4. To consider and approve the material related party transaction and in this regard, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") as amended from time to time, the applicable provisions of the Companies Act, 2013 ("Act") read with Rules made thereunder, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), the Company's Policy on Related Party Transactions, and pursuant to the approval of the Audit Committee and the recommendation of the Board of Directors, the approval of the Members be and is hereby accorded as in the previous year(s) to the Company to enter/ continue to enter into transaction(s)/ contract(s)/ arrangement(s)/ agreement(s) with M/s. Samrajyaa and Company, an entity falling within the definition of 'Related Party' under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for an amount not exceeding Rs.2500 Lakhs (Rupees Two Thousand and Five Hundred Lakhs Only) from the Annual General Meeting to be held in the year 2024 till the Annual General Meeting to be held in the year 2025, on such terms and conditions as detailed in the explanatory statement to this resolution notwithstanding the fact that such transactions either taken individually or together with previous transactions during the financial year may exceed 10% of the annual turnover of the Company as per the last audited financial statements or such other materiality threshold as may be specified under applicable laws/ regulations from time to time.

**RESOLVED FURTHER THAT** the Board of Directors (including its Committee(s) thereof) be and are hereby severally authorised to do all such acts, deeds, matters and things, to finalise the terms and conditions of the transactions with the related party and to execute or authorise any person to execute all such documents, instruments and writings as may be necessary, relevant, usual, customary, proper and/or expedient for giving effect to the Resolution.

5. To consider the ratification of remuneration payable to Cost Auditors and in this regard, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. SBK & Associates (Firm Registration No: 000342), Cost Accountants, Chennai, who were appointed as Cost Auditors by the Board of Directors of the Company on the recommendation of the Audit Committee, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2025 on a remuneration of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only) plus applicable taxes and re-imbursalment of travelling and out of pocket expenses incurred by them for the purpose of audit be and is hereby ratified and confirmed.

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

6. To consider and fix remuneration to Sri.N.Krishna Samaraj (DIN: 00048547), Managing Director for the period from 17/01/2025 to 16/01/2027 and in this regard, if thought fit, to pass the following resolution as a **Special Resolution:**

**RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013 ('Act') read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended and the Articles of Association of the Company, the consent of the members be and is hereby accorded for the payment of remuneration to Sri. N. Krishna Samaraj (DIN:00048547), Managing Director of the Company for the period from 17/01/2025 till the remaining period of his present term i.e., till 16/01/2027 on the following terms and conditions as recommended by the Nomination and Remuneration Committee and approved by Audit Committee and Board of Directors at their respective meetings held on 29th May, 2024, notwithstanding the fact that the annual remuneration payable to him in any financial year during his tenure along with the remuneration payable to other Executive Directors may exceed the limits as set out under the Listing Regulations or the Act for the time being in force :

- i. Salary: Rs. 7,00,000 per month with an annual increment of Rs.50,000 per month;
- ii. Contribution to Provident fund, Super annuation fund or annuity fund, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- iii. Gratuity payable at the rate not exceeding half month salary for each completed year of service;
- iv. Encashment of leave at the end of tenure, which shall not be included in the computation of the ceiling on remuneration or perquisites;
- v. Car with driver, telephone at residence, club fees and medical reimbursement;
- vi. Commission on Net profits: 1% in addition to salary and perquisites and the amount determined shall be subject to the limits laid down under Section 197 and 198 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** in the event of absence of profits or inadequacy of profits in any year, Sri. N. Krishna Samaraj (DIN:00048547), Managing Director shall be paid the following remuneration:

- i. Salary: Rs.7,00,000 per month;
- ii. Contribution to Provident fund, Super annuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- iii. Gratuity payable at the rate not exceeding half months' salary for each completed year of Service.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to alter and vary the remuneration payable to Sri. N.Krishna Samaraj (DIN: 00048547), Managing Director as it may deem fit, subject to the same not exceeding the limits as approved by the shareholders.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 196 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and based on the recommendation of the Nomination and Remuneration Committee and Board of Directors, the consent of the members be and is hereby accorded for the continuation of the Directorship of Sri. N. Krishna Samaraj (DIN: 00048547) as Managing Director of the Company upon attaining the age of 70 years on 26/03/2025 for the remaining period of his term of 5 years i.e. until 16/01/2027.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby severally authorized to take all such steps as may be necessary and /or give such directions as may be necessary, proper or expedient to give effect to the above resolution without being required to seek any further consent or approval of the members and the members shall be deemed to have given their approval thereto expressly by the authority of this resolution

7. To consider and fix remuneration to Sri. M Malmarugan (DIN: 09610329), Executive Director for the period from 30/05/2025 to 29/05/2027 and in this regard, if thought fit, to pass the following resolution as a **Special Resolution:**

**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013 ('Act') read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory modification(s) or reenactment thereof for the time being in force) and the Articles of Association of the Company, the consent of the members be and is hereby accorded for the payment of remuneration to Sri. M Malmarugan (DIN: 09610329), Executive Director for the period from 30/05/2025 till the remaining period of his present term i.e., till 29/05/2027 on the following terms and conditions recommended by the Nomination and Remuneration Committee and approved Audit Committee and Board of Directors at their respective meetings held on 29th May, 2024, notwithstanding the fact that the annual remuneration payable to him in any financial year during his tenure along with the remuneration payable to other Executive Directors may exceed the limits as set out under the Listing Regulations or the Act for the time being in force :

- i. Salary: Rs. 5,00,000 per month with an annual increment of Rs.40,000 per month;
- ii. Company's contribution to Provident Fund as per rules of the Company, to the extent it is not taxable under the Income Tax Act, 1961 shall not be included in the computation of the ceiling on remuneration or perquisites;
- iii. Gratuity payable shall not exceed half month salary for each completed year of service;
- iv. Encashment of leave at the end of tenure, which shall not be included in the computation of the ceiling on remuneration or perquisites;
- v. Eligible for Company's Medical Benefits at par with other employees of the Company;
- vi. Provision of Company car with driver for use on Company's business and telephone facility at his residence will not be considered as perquisites;
- vii. Eligible for Performance Linked Bonus, if any.

**RESOLVED FURTHER THAT** in the event of absence of profits or inadequacy of profits in any year, Sri.M.Malmarugan (DIN: 09610329), Executive Director shall be paid the following remuneration:

- i. Salary: Rs. 5,00,000 per month;
- ii. Company's contribution to Provident Fund as per rules of the Company, to the extent it is not taxable under the Income Tax Act, 1961 shall not be included in the computation of the ceiling on remuneration or perquisites;
- iii. Gratuity payable shall not exceed half month salary for each completed year of service.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter and vary the terms of remuneration payable to Sri. M Malmarugan (DIN: 09610329), as it may deem fit, subject to the same not exceeding the limit as approved by the shareholders.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby severally authorized to take all such steps as may be necessary and/or give such directions as may be necessary, proper or expedient to give effect to the above resolution without being required to seek any further consent or approval of the members and the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

8. To consider and approve the appointment of Sri. Vidyaprakash Arjunprakash (DIN: 00835823) as Non-Executive, Independent Director of the Company and in this regard, if thought fit, to pass the following resolution as a **Special Resolution**:

**RESOLVED THAT** in accordance with the provisions of Section 149, 150,152, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') read with 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended and the Articles of Association of the Company and as per the recommendations of the Nomination and Remuneration Committee and the Board of Directors, Sri. Vidyaprakash Arjunprakash (DIN: 00835823), who had submitted a declaration that he meets the criteria for independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and whose name is included in the databank as required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member signifying his intention to propose Sri. Vidyaprakash Arjunprakash as a candidate for the office of Director of the Company, be and is hereby appointed as Non-Executive and Independent Director of the Company, not liable to retire by rotation, to hold office for an initial term of five (5) consecutive years with effect from 16th August, 2024.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution without being required to seek any further consent or approval of the members and the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

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

Place : Coimbatore

Date : 29.05.2024

N. Krishna Samaraj  
Managing Director  
DIN: 00048547



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

**ITEM NO. 4**

Pursuant to proviso to Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), a transaction with a related party shall be considered "material", if the transactions entered into individually or taken together with previous transactions during a Financial Year with such related party exceeds Rs.1,000 Crores or 10% of the total turnover of the Company as per the last audited financial statements, whichever is lower ("Materiality Threshold").

The Company at its 33rd Annual General Meeting got the approval of members for Material related party transactions with M/s. Samrajyaa and Company for Rs. 2500 Lakhs. However, the related party transactions with M/s. Samrajyaa and Company for the year ended 31st March, 2024 was Rs. 1212 Lakhs because of reduction in sales turnover.

Anticipating an increase in the turnover in the coming year including proposed expansion and an increase in the volume of transactions with the related party, the Company may be in a situation wherein the related party transactions with M/s. Samrajyaa and Company, may be in excess of 10% of the total turnover of the Company as per the last audited financial statements. Hence, the approval of Material related party transactions for higher limits. i.e, Rs.2500 Lakhs is requested from the shareholders. The Audit Committee has also granted their approval for the related party transactions to be entered into by the Company with the above-mentioned related party.

The details of the transactions with above-mentioned related party as required pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22nd November, 2021 is as follows

Name of the related party	M/s. Samrajyaa and Company	
Type, material terms and particulars of the transaction	Machining Charges Payable & Availing/ rendering of any services or Sale/ Purchase of Components/ materials	
Relationship with the listed entity, including nature of its concern or interest financial or otherwise	Partners of M/s. Samrajyaa and Company are related to Sri.N.Krishna Samaraj, Managing Director, Sri. Ajeya Vel Narayanaswamy and Sri.J.Vijayakumar, Directors of the Company	
Tenure of the transaction	For the period from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.	
Value of the transaction	Machining Charges Payable	₹ 2200 Lakhs
	Availing/ rendering of any services or Sale/ Purchase of Components/ materials.	₹ 300 Lakhs
The percentage of the listed entity's annual turnover for the immediately preceding financial year, that is represented by the value of the proposed transaction	Machining Charges Payable	15.18% based on audited financials for the year ended 31st March, 2023
	Availing/ rendering of any services or Sale/ Purchase of Components/ materials.	
Justification for why the proposed transaction is in the interest of the listed entity	The proposed related party transactions, not only help smoothen business operations but also ensure a consistent flow of desired quality and quantity of goods and services without interruptions, optimum capacity utilization and generation of revenue and business of the Company.	
Nature of the proposed contract/ arrangement	The transaction is in normal course of business with terms and conditions that are generally prevalent in the industry segment in which the Company operates. The proposed transactions are also at arm's length.	
Details of the valuation report or external party report relied upon	The Company has not relied upon the valuation or any external report in relation to the transaction.	

The proposed transaction does not involve any loans, inter-corporate deposits, advances or investments and hence disclosure of details pertaining to the same does not arise.

Pursuant to Regulation 23(4) of Listing Regulations, the prior approval of the Shareholders of the Company by way of an ordinary resolution would be required for the transactions entered with related party in excess of 10% of the annual turnover of the Company as per the last audited financial statements.

Accordingly, the Board of Directors recommends and seeks the approval of the Members for the transactions proposed to be entered into with the above-mentioned related party as per the details given above.

Interest of Directors: Except Sri. N. Krishna Samaraj, Managing Director, Sri. Ajeya Vel Narayanaswamy and Sri. J. Vijayakumar, Directors of the Company and their relatives, none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution(s) as set out in Item No. 4 of this notice.

The Members may please note that in terms of the provisions of the Listing Regulations, no related party(ies) as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall vote to approve the resolution under Item No. 4 of this Notice

## **ITEM NO. 5**

The Board of Directors of the Company based on the recommendations of the Audit Committee of the Company, appointed M/s. SBK & Associates (Firm Registration No. 000342), Cost Accountants, Chennai, as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year 2024-25 and fixed the remuneration of Rs.1,50,000/- (Rupees One Lakh Fifty Thousand only) along with the payment of applicable taxes and reimbursement of travelling and out-of pocket expenses incurred by them during the course of the audit, payable to them.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors of the Company shall be recommended by the Audit Committee and approved by the Board of Directors and has to be ratified by the Members at the Annual General Meeting of the Company. Accordingly, the consent of the members is being sought for the ratification of the remuneration to be paid to the Cost Auditors of the Company for the financial year 2024-25.

The Board recommends the resolution set out in Item No. 5 of the Notice for the approval of the members of the Company. None of the Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the resolution as set out under Item No.5 of the Notice.

## **ITEM NO. 6:**

The members of Company at the 31st Annual General Meeting held on 23/09/2021 had appointed Sri.N.Krishna Samaraj (DIN: 00048547) as Managing Director of the Company for a period of five (5) years from 17/01/2022 to 16/01/2027 and approved the remuneration for a period of three years (3) from 17/01/2022 to 16/01/2025. Hence, approval of the Members are being sought to fix remuneration for the remaining term period from 17/01/2025 to 16/01/2027.

His remuneration for the remaining term period has been recommended by the Nomination and Remuneration Committee and Audit Committee and the same is within the limits specified in Part II of Schedule V to the Companies Act, 2013.

The remuneration for Sri.N.Krishna Samaraj, Managing Director remains unchanged since 17/01/2020. Hence, the Board after taking into consideration the substantial and significant contribution made by Sri.N.Krishna Samaraj, Managing Director for the rapid growth of the Company, recommended for the approval of members for the remuneration payable to Sri.N.Krishna Samaraj for a period of two years (2) from 17/01/2025 to 16/01/2027.

The necessary details as per Section II under Part II of the Schedule V of the Companies Act, 2013 are being provided in this notice.

Further, in accordance with Section 196(3)(a) of the Companies Act, 2013, appointment of a person as a Managing Director/ whole-time director or manager, who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person. Sri.N.Krishna Samaraj will attain the age of 70 years on 26/03/2025. The Company seeks consent of the members by way of special resolution for continuation of the holding of existing office of Sri.N.Krishna Samaraj, after the age of 70 years under the provisions of Section 196(3)(a) of the Companies Act, 2013.

Sri.N.Krishna Samaraj is an Engineering Graduate with Masters in Business Administration from the University of Michigan, USA. He has over 12 years working experience in the USA and Europe. He is the Managing Director and driving force behind this Company since inception. He was a National Council Member of the Institute of Indian Foundrymen (IIF) and served as the President of IIF during the year 2015-16.

Sri. N. Krishna Samaraj is a successful Industrialist with a wide and varied experience in the management of business and industry. He is in charge of the day to day operations of the Company and is assisted by a team of qualified and experienced professionals. Sri.N.Krishna Samaraj has been untiringly working towards better prospects of the Company and therefore the Board of Directors are of the view that the continuation of Sri.N.Krishna Samaraj as Managing Director of the Company would be in the best interests of the Company.

Considering the extensive experience in the industry, technical knowledge, operational understanding and familiarity with production processes along with strong leadership qualities, a strategic vision towards organizational growth, the Board of Directors recommends the Special resolution set out at Item No.6 of the accompanying Notice for the approval of the Members.

Additional information in respect of Sri. N. Krishna Samaraj, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, and the Secretarial Standard on General Meetings (SS-2) is annexed to this Notice.

Except Sri. N. Krishna Samaraj, Sri. Ajeya Vel Narayanaswamy and Sri. J. Vijayakumar, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution for appointment as set out in Item No.6 of this notice.

#### **ITEM NO.7:**

The members of the Company at the 32nd Annual General Meeting held on 26/08/2022 had appointed Sri. M Malmarugan (DIN: 09610329) as Executive Director of the Company for a period of 5 (Five) years and fixed remuneration for a period of 3 (Three) years with effect from 30/05/2022.

Sri. M Malmarugan, aged 53 years, is an Engineering Graduate and possess a Master degree of Business Administration. He has over 32 years of technical experience in Foundry industry, out of which he has been associated with Magna for more than 13 years and held various positions in the Company as Vice President (Operations), Chief Executive Officer.

Taking into consideration, his qualifications, comprehensive experience, and considerable expertise and substantial knowledge and skill in the industry, the Board is of the view that the remuneration payable to him is commensurate with his abilities and experience. The Board of Directors, after taking into consideration the significant contribution by Sri. M Malmarugan, have accepted the proposal of the Nomination and Remuneration Committee and Audit Committee of the Company Committee, subject to the approval of the Members by means of a Special Resolution at the ensuing Annual General Meeting.

The necessary details as per Section II under Part II of the Schedule V of the Companies Act, 2013 are being provided in this notice. The Board of Directors recommend the resolution set out at Item No.7 of the Notice for your approval as Special Resolution.

Except Sri. M Malmarugan, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution for appointment as set out in Item No. 7 of this notice.

In respect of Item Nos.6 & 7, the following disclosures in terms of Section II under Part II of the Schedule V of the Companies Act, 2013 is provided:

I.	General information:					
1.	Nature of industry	The Company is engaged in the manufacture and sales of SG Ductile iron and Grey iron castings.				
2.	Date of Commencement of commercial production	30.01.1995				
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable				
4.	Financial performance <span style="float: right;">(₹ In Lakhs)</span>					
	Details	2024	2023	2022	2021	2020
	Total income	14529.36	16793.63	13747.47	9901.87	9847.19
	Net Profit before tax	2040.61	2311.75	1034.90	701.43	850.10
	Dividend paid	211.61	126.96	105.80	63.48	114.56
	Rate of dividend in %	50*	30	25	15	25
	* proposed					
5.	Foreign investments or collaborations, if any.	The Company has not incurred any expenditure on account of foreign investments or collaborations during the last five years as the Company has neither made any foreign investments nor entered into any foreign collaboration agreement.				
6.	Export Performance: <span style="float: right;">(₹ In Lakhs)</span>					
	Year	2024	2023	2022	2021	2020
	Export Earnings	6615.84	7646.09	5966.70	4764.63	4235.05
II.	Information about the appointee:					
	A. Item No: 6 - Sri. N. Krishna Samaraj, Managing Director					
1.	Background details	Sri.N.Krishna Samaraj, aged 69 years is an Engineering Graduate with Masters in Business Administration from the University of Michigan, USA. He has over 12 years working experience in the USA and Europe. He is the Managing Director and driving force behind this Company since inception.				
2.	Past remuneration	During the Financial year 2023-24 Sri. N. Krishna Samaraj was paid remuneration of Rs. 103.41 Lakhs including commission. He has been paid Sitting fees of Rs.1.60 Lakhs.				
3.	Recognition or awards	Sri.N.Krishna Samaraj was a National Council Member of the Institute of Indian Foundrymen (IIF) and served as the President of IIF during the year 2015-16.				

4.	Job profile & suitability	Sri.N.Krishna Samaraj is in charge of the day to day operations of the Company and is assisted by a team of qualified and experienced professionals. Considering the extensive experience in the industry, including technical knowledge, operational understanding and familiarity with production processes along with strong leadership qualities, a strategic vision towards organizational growth, Sri.N.Krishna Samaraj is best suited for the position
5.	Remuneration proposed	As set out in Item No. 6 of the Notice
6.	Comparative remuneration profile	The proposed remuneration to Sri.N.Krishna Samaraj with respect to industry, size of the Company is comparable to industry standards, Company, profile of the position.
7.	Pecuniary relationship directly or indirectly with the Company, or relation with the managerial personnel	Sri. N.Krishna Samaraj, Managing Director, and Sri. Ajeya Vel Narayanaswamy are related to each other. They do not have any pecuniary relationship, directly or indirectly with the Company or with any other Director or Senior Management except to the extent of their shareholdings in the equity share capital of the Company and the salary drawn by him as Managing Director.
<b>B. Item No: 7 - Sri. M Malmarugan, Executive Director</b>		
1.	Background details	Sri. M Malmarugan, Executive Director, aged 53 years is an Engineering Graduate and possess a Master degree of Business Administration. He has over 32 years of technical experience in Foundry industry, out of which he has been associated with Magna for more than 13 years and held various positions in the Company.
2.	Past remuneration	Sri. M. Malmarugan was paid remuneration of ₹ 73.24/- Lakhs during the Financial year 2023-24. He has been paid Sitting fees of ₹ 1.00 Lakh.
3.	Recognition or awards	Nil
4.	Job profile & suitability	Sri. M. Malmarugan will be in charge of the day to day Technical operations of the Company. With his vast experience and knowledge in the field, and strategic thinking, decision-making skills and his administrative capabilities, Sri.M. Malmarugan is best suited for the position of Executive Director. Sri. M. Malmarugan's expertise and skills are imminently needed for achieving the global business plans of the Company.
5.	Remuneration proposed	As set out in Item No. 7 of the Notice
6.	Comparative remuneration profile	Taking into consideration the size of the Company, industry standard, profile of Sri. M. Malmarugan and the responsibilities shouldered by him, the remuneration paid is commensurate with the remuneration packages paid to Managerial Personnel in similar other companies

7.	Pecuniary relationship directly or indirectly with the Company, or relation with the managerial personnel	Sri. M. Malmarugan, Executive Director does not have any pecuniary relationship with the Company. He is not related to any director / managerial personnel of the Company.
III.	Other information:	
1.	Reason for loss / inadequate profits for payment of remuneration in terms of Section 198	Not Applicable as the Company has not incurred loss during the year. The resolutions proposed are only enabling resolutions to pay minimum remuneration to the Managing Director and Executive Director in the unlikely event of Company not able to earn adequate profit or making no profits in future due to various external factors which are beyond the control of the Company.
2.	Steps taken or proposed to be taken for improvement	Not applicable.
3.	Expected increase in productivity and profits in measurable terms	Not applicable.
IV.	Disclosures:	
	<p>i. All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors: Please refer to the Section titled "Details of Remuneration to Directors" as contained in the Corporate Governance Report</p> <p>ii. Details of fixed component and performance linked incentives along with the performance criteria: Please refer to the Section titled "Details of Remuneration to Directors" as contained in the Corporate Governance Report</p> <p>iii. Service contracts, notice period, severance fees: Please refer to the Section titled "Details of Remuneration to Directors" as contained in the Corporate Governance Report</p> <p>iv. Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable: The Company has not issued any Stock Options.</p>	

**ITEM NO. 8**

The Board of Directors of the Company at its meeting held on 29th May, 2024, upon recommendation of the Nomination and Remuneration Committee ('NRC') approved and recommended to shareholders, the appointment of Sri. Vidyaprakash Arjunprakash (DIN: 00835823) as a Non-Executive, Independent Director of the Company with effect from 16th August, 2024.

In accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013 ('the Act'), appointment of Independent Directors requires approval of the Shareholders of the Company. As per Regulation 25(2A) of the Listing Regulations provides that the appointment of an Independent Director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution.

The Board of Directors of the Company has recommended the appointment of Sri. Vidyaprakash Arjunprakash as an Independent Director with effect from the date of Annual General Meeting for a period of Five (5) years to shareholders by means of a Special Resolution and he is not liable to retire by rotation. The Company has received a notice in writing from a member in terms of Section 160(1) of the Act, proposing the candidature of Sri. Vidyaprakash Arjunprakash for the office of Director of the Company.

Sri. Vidyaprakash Arjunprakash is a Technocrat industrialist specialized in Industrial Automation since 1998. He holds a Bachelor degree in Engineering from PSG College of Technology, Coimbatore and a Masters Degree in Automation from Hochschule Esslingen - University of Applied Sciences. He has working experience in Festo AG, Esslingen, & IMT Robots AG, Stuttgart, Germany. Since 2004, he has been heading Effica Automation, a team of Engineers, venturing into Industrial Automation. He was the Chairman of Confederation of Indian Industry - Coimbatore Zone during 2021-22 and Chapter Chair – Coimbatore of Young Indians during 2009-10.

The Company has received from Sri. Vidyaprakash Arjunprakash (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act, (iii) a declaration under Section 149 (7) of the Act and Regulation 25(8) of the Listing Regulations to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 (1) (b) of the Listing Regulations and (iv) a declaration that he is not aware of any circumstance or situation, which exist or may be anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. At present, he is neither disqualified from being appointed as a Director in terms of Section 164 of the Act nor is debarred from holding the office of Director pursuant to any SEBI Order. He is also registered with the database of Independent Directors at Indian Institute of Corporate Affairs (IICA) constituted by Ministry of Corporate Affairs pursuant to Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rule, 2014 and the relevant notifications issued thereunder.

The NRC and the Board has assessed the veracity of the said declarations and other documents furnished by Sri. Vidyaprakash Arjunprakash and based on the same, has opined that he fulfils the conditions / criteria specified in the Act, the Rules and the Listing Regulations and determined that he is independent of the Management and reviewed and evaluated the balance of skills, knowledge and experience on the Board and have identified the role and capabilities required of an Independent Director and have considered that the appointment of Sri. Vidyaprakash Arjunprakash will be of immense value addition to the Company.

The terms and conditions for appointment of Sri. Vidyaprakash Arjunprakash as an Independent Director would be made available for inspection to the Members at the Registered Office of the Company during the normal business hours until the conclusion of ensuing Annual General Meeting of the Company.

The disclosures as required under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) are furnished and form a part of this Notice.

Accordingly, the Board recommends the Special Resolution as set out in Item No. 8 of the Notice for appointment of Sri. Vidyaprakash Arjunprakash as an Independent Director for a term of five (5) consecutive years, for approval by the Members of the Company.

Except Sri. Vidyaprakash Arjunprakash, being the proposed appointee, none of the Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution as set out in Item No. 8 of the Notice.

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

N. Krishna Samaraj  
Managing Director  
DIN: 00048547

Place : Coimbatore  
Date : 29.05.2024



**DETAILS OF DIRECTORS SEEKING APPOINTMENT AND RE-APPOINTMENT PURSUANT TO REGULATION 36(3) OF THE SECURITIES AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETINGS (SS2) ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA**

<b>Name of the Directors</b>	<b>Sri. Ajeya Vel Narayanaswamy</b>	<b>Sri. N. Krishna Samaraj</b>
DIN	07553660	00048547
Date of Birth/Age	23.12.1995 / 28 Years	26.03.1955 / 69 Years
Nationality	USA	Indian
Date of appointment on the Board	30.05.2023	22-08-1990
Qualification	B.E., (Mechanical Eng.) MSc., (Manufacturing Systems & Eng.)	BE., MBA (USA)
Expertise /Skills	Sri. Ajeya Vel Narayanaswamy has 5 years of experience in varied fields of technology, operations, general management, research & development in foundry Industry.	An Industrialist, having more than 17 years of industrial experience in USA & Europe. -A National Council Member of the Institute of Indian Foundrymen -Past President of IIF. -Director of Foundry Development Foundation He is handling day to day operations of the Company as Managing Director since inception.
No. of Equity Shares held in Company	3,63,000 Equity Shares	8,56,130 Equity Shares
Relationship with other directors	Sri. Ajeya Vel Narayanaswamy is the son of Sri. N. Krishna Samaraj, Managing Director of the Company.	Sri. N. Krishna Samaraj is the Father of Sri. Ajeya Vel Narayanaswamy
Board position held	Non-Executive, Non-Independent Director	Managing Director
Terms of Appointment/ Re-appointment	Liable to retire by rotation.	Appointed for period of 5 years from 17/01/2022, Not liable to retire by rotation
Remuneration sought to be paid	Sitting Fees only	As set out in Item Nos. 6 of the Notice.
Remuneration last drawn during FY2023-24	Sitting Fees – Rs. 1.00 Lakh	Remuneration - Rs. 103.41 Lakhs Sitting Fees – Rs. 1.60 Lakhs
No. of Board Meetings attended during the year	5	5
List of Directorships held in other Companies	Nil	1. Shanthi Gears Limited 2. Chandra Textiles Private Limited 3. Foundries Development Foundation
Details of Chairmanship/ Membership in Committees of the Company	Nil	1. Stakeholder Relationship Committee - Member 2. Corporate Social Responsibility Committee - Member
Details of Membership in Committees of Other Companies	Nil	1. Shanthi Gears Limited Stakeholder Relationship Committee - Member Risk Management Committee - Chairman
Names of listed entities in which the person has resigned in the past three years	Nil	Nil



<b>Name of the Directors</b>	<b>Sri.M.Malmarugan</b>	<b>Sri. Vidyaprakash Arjunprakash</b>
DIN	09610329	00835823
Date of Birth/Age	11/06/1971 / 53 Years	20/07/1975 /48 years
Nationality	Indian	Indian
Date of appointment on the Board	30-05-2022	Appointment subject to approval of members.
Qualification	B.E.,MBA.,	B.E.,MS
Expertise /Skills	Sri.M.Malmarugan has comprehensive experience of more than 32 years in manufacturing business specifically in Quality Management System, has expertise in casting industry and implementation of new technologies etc. He has been associated with Magna for more than 13 years and held various positions in the Company. Previously, he was associated with Sanmar Group of Companies.	Sri. Vidyaprakash Arjunprakash is a Technocrat industrialist specialised in Industrial Automation since 1998. He is specialised in Industrial Automation, Machine Vision, Robotics, Machine Design, Project Management, General management. Sri. Vidyaprakash Arjunprakash meets the skills and capabilities required for the role of independent directors
No. of Equity Shares held in Company	Nil	2,500 Equity Shares
Relationship with other directors	Not related to any of the other Directors of the Company	Not related to any of the other Directors of the Company
Board position held	Executive Director	Nil
Terms of Appointment/ Re-appointment	Appointed for period of 5 years from 30/05/2022.	As per Item No. 8 of the Notice.
Remuneration sought to be paid	As set out in Item No. 7 of the Notice.	Sitting Fees only
Remuneration last drawn during FY2023-24	Remuneration - Rs. 73.24 Lakhs Sitting Fees – Rs. 1.00 Lakh	NA
No. of Board Meetings attended during the year	5	NA
List of Directorships held in other Companies	Nil	1. Coimbatore Pioneer Fertilizers Private Limited 2. Altum Agro Technologies Private Limited
Details of Chairmanship/ Membership in Committees of the Company	Nil	Nil
Details of Membership in Committees of Other Companies	Nil	Nil
Names of listed entities in which the person has resigned in the past three years	Nil	Nil

**NOTES**

1. The Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ('Act') and applicable Secretarial Standards, relating to special business to be transacted at the Annual General Meeting ('AGM'), is annexed to the Notice.
2. The General Circulars issued by the Ministry of Corporate Affairs ('MCA') during the year 2020, 2021, 2022 and 2023 and latest being Circular No. 09/2023 dated 25th September, 2023 and the same has been acknowledged by the Securities and Exchange Board of India ('SEBI') vide its circulars during the year 2020, 2021, 2022 and 2023 and latest being 7th October, 2023, have permitted to the conduct of the AGM through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC / OAVM. Members desirous of participating in the meeting through VC/OAVM, may refer to the procedures mentioned below. The deemed venue for the AGM shall be the Registered Office of the Company.
3. 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 Listing Regulations (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to its shareholders in respect of the business to be transacted at the AGM. For this purpose, the Company has engaged the services of Link Intime India Private Limited for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a shareholder using remote e-voting as well as the e-voting system on the date of the AGM will be provided by Link Intime India Private Limited.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Institutional/ Corporate members intending to appoint their authorized representatives to attend the Annual General Meeting, pursuant to section 112 & 113 of the Act are requested to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., of certified board resolution authorizing their representatives to attend the AGM through VC and vote on their behalf through remote e-voting or voting at AGM. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [mds@mdsassociates.in](mailto:mds@mdsassociates.in) with a copy marked to the Company at [investorcell@magnacast.com](mailto:investorcell@magnacast.com).
6. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report for the financial year 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Registrar and Share Transfer Agent ('RTA')/Company/Depositories. Members may note that the physical copy of the Notice of the AGM along with the Annual Report will not be sent. Members may note that the Notice and Annual Report for the financial year 2023-24 are made available at the Company's website [www.magnacast.com](http://www.magnacast.com), website of Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of Link Intime India Private Limited at <https://instavote.linkintime.co.in/>. Members can attend and participate in the AGM through VC/OAVM facility only. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. In case any shareholder is desirous of obtaining hard copy of the Annual Report for the Financial Year, 2024, may send request to the Company's email address at [investorcell@magnacast.com](mailto:investorcell@magnacast.com) mentioning Folio No./ DP ID and Client ID.

7. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
9. Details under Regulation 36 of Listing Regulations and Secretarial Standards issued by ICSI in respect of the Director seeking re-appointment/ appointment at the Annual General Meeting is furnished and forms a part of the Notice.
10. The Company has paid the annual listing fees for the period 2024-25 to the Stock Exchange, BSE Limited, Mumbai.
11. Dividend : The Board of Directors has recommended final dividend of Rs.5/- per equity share of Rs.10/- each (50%) for the financial year ended 31st March, 2024 subject to the approval of the shareholders at the AGM and the dividend (if declared) will be paid within 30 days from the date of approval by the Shareholders. The record date for determining the eligibility of the equity shareholders to the final dividend for the financial year ended 31st March, 2024 is fixed as Friday, 9th August, 2024.
12. Pursuant to provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of the Listing Regulations, the Register of Members and Share transfer books of the Company will remain closed during the period from 10th August, 2024 to 16th August, 2024 (both days inclusive) for determining the names of the members eligible for dividend.
13. Members who have not registered their Bank particulars with the Depository Participant(s) ('DP') / Company are advised to utilise the electronic solutions provided by National Automated Clearing House ('NACH') for receiving dividends. Members holding shares in electronic form are requested to contact their respective Depository Participant(s) for availing this facility. Members holding shares in physical form are requested to download the NACH form from the website of the Company viz., [www.magnacast.com](http://www.magnacast.com) and the same, duly filled up and signed along with original cancelled cheque leaf may be sent to the Company or to the RTA.
14. Members whose shareholding is in the electronic mode are requested to update bank account details (Bank Account Number, Name of the Bank, Branch, IFSC, MICR code and place with PIN Code) to their respective Depository Participant(s) and not with the Company. Members whose shareholding is in the physical mode are requested to direct the above details to the Company or to the RTA. Regular updation of bank particulars is intended to prevent fraudulent encashment of dividend warrants.
15. (a) Members are requested to notify immediately any change in their address to their DP(s) in respect of the shares held in electronic form, and to the Company or its RTA, in respect of the shares held in physical form together with a proof of address viz, Aadhar Card /Electricity Bill/ Telephone Bill/Ration Card/Voter ID Card/ Passport etc.  
  
(b) In case the registered mailing address is without the Postal Identification Number Code ('PINCODE'), Members are requested to kindly inform their PIN CODE immediately to the Company /RTA/DPs.
16. As per the provisions of Section 72 of the Act, facility for making nominations is now available to INDIVIDUALS holding shares in the Company, members holding shares in physical form may obtain the Nomination Form from the RTA of the Company or can download the form from the Company's website [www.magnacast.com](http://www.magnacast.com). Members holding shares in electronic form must approach their Depository Participant(s) for completing the nomination formalities.
17. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Share Transfer Agents, for consolidation into a single folio.

18. Soft copies of the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the Members during the time of the AGM.
19. Non-Resident Indian (“NRI”) Members are requested to inform the Company or its RTA or to the concerned Depository Participants, as the case may be, immediately:
  - a) the change in the residential status on return to India for permanent settlement or
  - b) the particulars of the NRE/NRO Account with a Bank in India, if not furnished earlier.
20. Those members who have not encashed dividend warrants of earlier years may return the time barred dividend warrants to the Company or its RTA for revalidation of such instruments.
21. Members who wish to claim dividends, which remain unclaimed are requested to correspond with the RTA of the Company. Members are requested to note that pursuant to Section 124 of the Companies Act, 2013 dividends not claimed within seven years from the date of transfer to the Company’s Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (“IEPF”). The details of unpaid dividend can be viewed on the Company’s website [www.magnacast.com](http://www.magnacast.com).

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

The shareholders, whose unclaimed shares or unpaid amount has been transferred to the IEPF Authority Account, may claim the same from the IEPF Authority by filing Form IEPF-5 along with requisite documents. Ms. Divya Duraisamy, Company Secretary, is the Nodal Officer of the Company for the purpose of verification of such claims.

22. Shareholders holding shares in Demat form and who have not yet registered their e-mail address are requested to register their email address with their respective DP immediately. Shareholders holding shares in physical form are requested to dematerialize their shares and register their email address with our RTA, Link Intime India Private Limited, “Surya” 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028; email id [coimbatore@linkintime.co.in](mailto:coimbatore@linkintime.co.in).
23. a. SEBI has mandated that the transfer of securities held in physical form, except in case of transmission or transposition, shall not be processed by the listed entities / Registrars and Share Transfer Agents with effect from 1st April, 2019. Therefore, members holding share(s) in physical form are requested to dematerialize their shareholding in the Company. Necessary prior intimation in this regard was provided to the shareholders. Members are encouraged to convert their holdings to electronic mode.
  - b. Further, SEBI had mandated the listed entities to issue shares only in dematerialized mode, with effect from 25th January, 2022 to Shareholder(s)/ claimant(s) holding shares in physical mode, as against their service requests including for transmission or transposition of shares by providing letter of confirmation.

As per the said circular, the Company has opened a separate Escrow Demat Account for the purpose of crediting the shares of the Shareholders who fail to submit the letter of confirmation with the respective DP within the prescribed timeline.

- c. Further, as per the SEBI’S Master circular dated 17th May, 2023 and amendment circular dated 17th November, 2023 and 7th May, 2023, Members holding shares in physical form, whose folio(s) lack PAN, contact details, Bank Account details or updated specimen signature will only be eligible for payment

of Dividend, through electronic mode effective from 1st April, 2024. Therefore, Members holding shares in physical form are requested to update the mentioned details by providing the appropriate requests through ISR Forms with the RTA to ensure receipt of Dividend.

- d. Further, SEBI vide its circular(s) dated 3rd November, 2021 and 16th March, 2023 has also mandated that the Shareholders holding shares in physical form are required to compulsorily link their PAN and Aadhaar. Accordingly, the physical folios in which PAN and Aadhaar are not linked have been frozen by the RTA. The securities which have been frozen will revert to normal status only upon receipt of requisite KYC documents or upon dematerialisation of the said securities.

Necessary prior intimation(s) in this regard was provided to the Shareholders. Therefore, Members holding share(s) in physical form are requested to immediately update their KYC details / dematerialize their shareholding in the Company. A copy of the said circular(s) is available on the Company's website [www.magnacast.com](http://www.magnacast.com).

- e. The shareholders are requested to co-ordinate with the Company's RTA. The shareholders may also note that as per advisory of SEBI, the Company's RTA has launched an investors' self-service portal 'SWAYAM' to access investor requests / services <https://swayam.linkintime.co.in>

24. 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 DP(s) with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Company or RTA.
25. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
26. Members desirous of receiving any information/clarification on the accounts or operations of the Company are requested to address his/her queries to the Company Secretary of the Company at least seven working days prior to the meeting, such queries will be replied by the Company suitably during the AGM or later.
27. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of Dividend. The Company or its RTA cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the DP by the members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of Dividend are requested to write to the Company or its Registrar and Share Transfer Agents.
28. The Company has entered into agreements with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"). The Depository System envisages the elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates, etc. Simultaneously, Depository System offers several advantages like exemption from stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc. Members, therefore, now have the option of holdings and dealing in the shares of the Company in electronic form through NSDL or CDSL. Members are encouraged to convert their holding to electronic mode.
29. Pursuant to the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividend income will be taxable in the hands of Shareholders with effect from 1st April, 2020 and the Company deduct tax at source from dividend paid to Shareholders at the prescribed rates. For the prescribed rates for various categories, the Shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. Detailed communication regarding the prescribed TDS rates for various categories, conditions for Nil/ preferential TDS and details / documents required thereof are being sent to the members.

The Shareholders are requested to update their Residential Status, Category as per Income Tax Act ("IT Act"), PAN with the Company/ RTA (in case of shares being held in physical mode) and depositories (in case of shares being held in demat mode) immediately. A resident individual Shareholder having PAN and entitled to receive dividend amount exceeding Rs.5,000/- and who is not liable to pay Income Tax, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source. Shareholders are requested to note that in case their PAN is not registered with the DP/Company, the tax will be deducted at the applicable higher rate.

Non-resident Shareholders can avail beneficial rates under the relevant 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. Members are requested to submit the documents using Company's mail id [investorcell@magnacast.com](mailto:investorcell@magnacast.com) and [coimbatore@linkintime.co.in](mailto:coimbatore@linkintime.co.in) on or before 14th August, 2024. Separate intimation in this regard will be given to the Shareholders.

30. Members holding shares in electronic form may please note that as per the regulations of NSDL and CDSL, the Company is obliged to print the details on the Dividend warrants as furnished by these Depositories to the Company and the Company cannot entertain any request for deletion / change of Bank details already printed on dividend warrants as per the information received from the concerned depositories. In this regard, Members should contact their respective DPs and furnish the particulars of any changes desired by them.
31. Members may kindly note that in accordance with SEBI circular dated 31st July 2023, the Company has registered on the SMART ODR (Securities Market Approach for Resolution through (Online Disputes Resolution) Portal. This platform aims to enhance investor grievance resolution by providing access to Online Dispute Resolution institutions for addressing complaints. Members can access the SMART ODR Portal via: <https://smartodr.in/login>. Members may utilize this online conciliation and/or arbitration facility, as outlined in the circular, to resolve any outstanding disputes between Members and the Company (including RTA).
32. Members are requested to forward their share related queries and communications directly to the Registrars and Share Transfer Agents of the Company – Link Intime India Private Limited, "Surya" 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028; email id [coimbatore@linkintime.co.in](mailto:coimbatore@linkintime.co.in) or the Company Secretary of the Company; email id: [investorcell@magnacast.com](mailto:investorcell@magnacast.com).
33. Members may note that M/s VKS Aiyer & Co., Chartered Accountants (Firm Registration No. 000066S) were appointed as Statutory Auditors of the Company at the 31st AGM held on 23rd September, 2021, to hold their office for a period of 5 consecutive years till the conclusion of the 36th AGM to be held during the year 2026. Hence, no resolution is being proposed for appointment of Statutory Auditors at this 34th AGM.

## VOTING THROUGH ELECTRONIC MEANS

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

- i) Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of Annual General Meeting Notice and holding shares as on Friday, 9th August, 2024, may refer to this Notice of the AGM, posted on Company's website [www.magnacast.com](http://www.magnacast.com) for detailed procedure with regard to remote



e-voting. Any person who ceases to be the member of the Company as on the cut-off date and is in receipt of this Notice, shall treat this Notice for information purpose only.

- ii) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again. Once the vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- iii) The voting period begins on **13th August, 2024 at 9.00 AM (IST) and ends on 15th August, 2024 at 5.00 PM (IST)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Friday, 9th August, 2024** may cast their vote electronically. The e-voting module shall be disabled by LIPL for voting thereafter.

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

**Remote e-Voting Instructions for shareholders:**

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

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

Individual Shareholders holding securities in demat mode with NSDL:

**METHOD 1 - If registered with NSDL IDeAS facility**

**Users who have registered for NSDL IDeAS facility:**

- a) Visit URL: <https://eservices.nsd.com> and click on "Beneficial Owner" icon under "Login".
- b) Enter user id and password. Post successful authentication, click on "Access to e-voting".
- c) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

**User who have not registered for NSDL IDeAS facility:**

- a) To register, visit URL: <https://eservices.nsd.com> and select "Register Online for IDeAS Portal" or click on <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided with Login ID and password.
- d) After successful login, click on "Access to e-voting".
- e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

**METHOD 2 - By directly visiting the e-voting website of NSDL:**

- a) Visit URL: <https://www.evoting.nsd.com/>
- b) Click on the "Login" tab available under 'Shareholder/Member' section.
- c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- d) Post successful authentication, you will be re-directed to NSDL depository website wherein you can see "Access to e-voting".

- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

## **Individual Shareholders holding securities in demat mode with CDSL:**

### **METHOD 1 – If registered with CDSL Easi/Easiest facility**

#### **Users who have registered for CDSL Easi/Easiest facility.**

- a) Visit URL: <https://web.cdslindia.com/myeasitoken/home/login> or [www.cdslindia.com](http://www.cdslindia.com).
- b) Click on New System Myeasi
- c) Login with user id and password
- d) After successful login, user will be able to see e-voting menu. The menu will have links of e-voting service providers i.e., LINKINTIME, for voting during the remote e-voting period.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

#### **Users who have not registered for CDSL Easi/Easiest facility.**

- a) To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration>
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided Login ID and password.
- d) After successful login, user able to see e-voting menu.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

### **METHOD 2 - By directly visiting the e-voting website of CDSL.**

- a) Visit URL: <https://www.cdslindia.com/>
- b) Go to e-voting tab.
- c) Enter Demat Account Number (BO ID) and PAN No. and click on “Submit”.
- d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- e) After successful authentication, click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

## **Individual Shareholders holding securities in demat mode with Depository Participant:**

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for e-voting facility.

- a) Login to DP website
- b) After Successful login, members shall navigate through “e-voting” tab under Stocks option.
- c) Click on e-voting option, members will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting menu.



- d) After successful authentication, click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

**Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:**

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
  2. Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details:
    - A. User ID:** Enter your User ID
      - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
      - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
      - Shareholders/ members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company
    - B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
    - C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
    - D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.
      - Shareholders/ members holding shares in **NSDL demat account shall provide ‘D’, above**
      - Shareholders/ members holding shares in **physical form** but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above
- ⇒ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).
- ⇒ Click “confirm” (Your password is now generated).
3. Click on ‘Login’ under ‘**SHARE HOLDER**’ tab.
  4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘**Submit**’.

**Cast your vote electronically:**

1. After successful login, you will be able to see the notification for e-voting. Select ‘View’ icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).
4. After selecting the desired option i.e. Favour / Against, click on ‘Submit’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.

## Guidelines for Institutional shareholders (“Corporate Body/ Custodian/Mutual Fund”):

### STEP 1 – Registration

- a) Visit URL: <https://instavote.linkintime.co.in>
- b) Click on Sign up under “Corporate Body/ Custodian/Mutual Fund”
- c) Fill up your entity details and submit the form.
- d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up at Sr.No. 2 above). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to [insta.vote@linkintime.co.in](mailto:insta.vote@linkintime.co.in).
- e) Thereafter, Login credentials (User ID; Organisation ID; Password) will be sent to Primary contact person’s email ID.
- f) While first login, entity will be directed to change the password and login process is completed.

### STEP 2 –Investor Mapping

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on “Investor Mapping” tab under the Menu Section
- c) Map the Investor with the following details:
  - a. ‘Investor ID’ -
    - i. Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678
    - ii. Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
  - b. ‘Investor’s Name - Enter full name of the entity.
  - c. ‘Investor PAN’ - Enter your 10-digit PAN issued by Income Tax Department.
  - d. ‘Power of Attorney’ - Attach Board resolution or Power of Attorney. File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID. Further, Custodians and Mutual Funds shall also upload specimen signature card.
- d) Click on Submit button and investor will be mapped now.
- e) The same can be viewed under the “Report Section”.

### STEP 3 – Voting through remote e-voting.

The corporate shareholder can vote by two methods, once remote e-voting is activated:

#### METHOD 1 - VOTES ENTRY

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on ‘Votes Entry’ tab under the Menu section.
- c) Enter Event No. for which you want to cast vote. Event No. will be available on the home page of Instavote before the start of remote evoting.
- d) Enter ‘16-digit Demat Account No.’ for which you want to cast vote.
- e) Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).

- f) After selecting the desired option i.e., Favour / Against, click on 'Submit'.
- g) A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

OR

**VOTES UPLOAD:**

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) You will be able to see the notification for e-voting in inbox.
- c) Select 'View' icon for 'Company's Name / Event number '. E-voting page will appear.
- d) Download sample vote file from 'Download Sample Vote File' option.
- e) Cast your vote by selecting your desired option 'Favour / Against' in excel and upload the same under 'Upload Vote File' option.
- f) Click on 'Submit'. 'Data uploaded successfully' message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

**Helpdesk:**

**Helpdesk for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode:**

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.

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

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at : 022 - 4886 7000 and 022 - 2499 7000.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33.

**Forgot Password:**

**Individual Shareholders holding securities in Physical mode has forgotten the password:**

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- o Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

*In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The*

password should contain a minimum of 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

User ID for Shareholders holding shares in NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID

User ID for Shareholders holding shares in CDSL demat account is 16 Digit Beneficiary ID.

### **Institutional shareholders (“Corporate Body/ Custodian/Mutual Fund”) has forgotten the password:**

If a Non-Individual Shareholders holding securities in demat mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

o Click on ‘Login’ under ‘Corporate Body/ Custodian/Mutual Fund’ tab and further Click ‘forgot password?’

o Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

*In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.*

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

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

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

### **InstaVote Support Desk**

#### **Link Intime India Private Limited**

### **Process and manner for attending the General Meeting through InstaMeet:**

☞ Select the “Company” and ‘Event Date’ and register with your following details: -

- A. Demat Account No. or Folio No: Enter your 16-digit Demat Account No. or Folio No
  - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
  - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
  - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
- B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP) / Company shall use the sequence number provided to you, if applicable.
- C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

⇨ Click “Go to Meeting” (You are now registered for InstaMeet, and your attendance is marked for the meeting).

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

1. Shareholders who would like to speak during the meeting must register their request with the company.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

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

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

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”.
2. Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on ‘Submit’.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:** Shareholders/ Members, who will be present in the General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

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

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

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

**InstaMeet Support Desk**

**Link Intime India Private Limited**

- The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date, viz. 9th August, 2024.
- The Company has appointed Sri. M D Selvaraj, Managing Partner of MDS & Associates LLP, Company Secretaries, Coimbatore as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- The Scrutinizer will, after the conclusion of e-voting at the Meeting, scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman or a person authorised by him in writing, who shall countersign the same and declare results (consolidated) within two working days from the conclusion of the AGM
- The Results shall be declared within 2 working days of the conclusion of the Annual General Meeting. The results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website [www. magnacast.com](http://www.magnacast.com) and on the website of Link Intime India Private Limited within two (2) days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited where the Company's shares are listed.

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 34th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2024.

**FINANCIAL RESULTS**

The highlights of the performance of your Company during the financial year (FY) 2023-24 are given hereunder;  
(₹ in lakhs)

<b>For the Financial year ended</b>	<b>31.03.2024</b>	<b>31.03.2023</b>
Total Revenue	<b>14529.36</b>	16793.63
Profit before interest, depreciation, exceptional, extraordinary items and income tax	<b>2497.04</b>	2896.54
Finance Cost	<b>20.03</b>	34.42
Depreciation	<b>436.40</b>	550.37
Profit before Exceptional & Extra-ordinary items	<b>2040.61</b>	2311.75
Exceptional Items(Income)	-	-
Profit before tax	<b>2040.61</b>	2311.75
Provision for Income tax	<b>520.23</b>	646.58
Provision for Deferred tax	<b>9.46</b>	(47.06)
Profit for the period	<b>1510.92</b>	1712.23

**FINANCIAL HIGHLIGHTS**

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

**OPERATIONS**

The Operating Revenue of the Company has decreased by 12.72 % from Rs. 16464.29 Lakhs in the previous year to Rs. 14369.78 Lakhs in the current year.

The Export revenue during the year is Rs. 6615.84 lakhs compared to Rs.7646.09 lakhs in the previous year. Due to lower demand coupled with inventory adjustment and shorter transit time, the Export business decreased by 13.47 % over the previous year. During the year, the domestic market also underwent a demand correction. Hence the reason for reduction in the turnover.

Despite decline in Operating Revenue, the Company has strived hard to maintain the operational profit margin at 17.44% current year compared to previous year margin of 17.35%. This is mainly due to lower input cost, production efficiency and product mix. The raw material cost was relatively stable during the financial year ended 31st March, 2024.

During the previous year, Profit Before Tax was Rs.2311.75 Lakhs which includes Operating profit of Rs 2140.94 Lakhs and One time profit from sale of asset of Rs. 170.81 Lakhs. During the year under review, the Company had an Operating profit of Rs 2039.39 Lakhs and profit before tax of Rs 2040.61 Lakhs

Your Company is always eco-conscious and ESG considerations are deeply ingrained in the Company's vision. During, FY 2023-24, your Company has made significant strides towards green energy. 83% of the total energy consumption is from Green energy which is generated from the Company's Windmills and Solar Plant. Further, the Company plan to invest in Sand Reclamation Systems so that the burden on the environment is substantially reduced and increase the capacity of Solar Power plant.

The income from Wind and Solar Energy is Rs. 741.57 Lakhs during the year as against Rs. 479.54 Lakhs, in the previous year.

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

## **DIVIDEND**

Your Directors are pleased to recommend a dividend of Rs. 5/- per share, i.e. at the rate of 50 % for the FY 2023-24 on the paid-up equity share capital of the Company. The dividend, if approved, will absorb an amount of Rs.211.61 Lakhs and will be paid to shareholders on approval, subject to deduction of tax at source. The payment of dividend is subject to approval of the shareholders at the 34th Annual General Meeting ('AGM') of the Company.

In view of the changes made under the Income Tax Act, 1961, by the Finance Act, 2020, dividend paid or distributed by the Company shall be taxable in the hands of the shareholders. Your Company shall, accordingly, make the payment of the dividend after deduction of tax at source at appropriate rates applicable to resident and non-resident shareholders as the case may be.

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

During the year under review, the Company has installed some balancing equipments/machinery which will enhance the production activities of the Company. Civil works were also undertaken to increase the floor space of the finishing division and machine shop. Roads were also laid/ re-laid to facilitate easy of movement of vehicles inside the Plant.

During the year, the Board has approved the Third Molding Line project for augmenting the molding capacity of the Company. The preliminary works for accommodation of the Third Molding Line were undertaken during the year and they are in place as at the date of this report.

## **FUTURE PLANS**

Implementation, erection and commissioning of Third Molding Line project will be completed during the last quarter of the Financial year 2024-25. The total installed molding capacity will be around 2000MT per month. The additional melting capacity will be accordingly adjusted as and when the production picks up. This expansion will also enable us to secure new business in medium sized components range on a competitive basis. On successful completion of this project, the Company will be able to cater to a wide range of castings from 1 Kg to 250 Kgs.

## **QUALITY RECOGNITIONS**

During the year, the Company obtained re-certification of the following standards – IATF 16949 & ISO 9001 Certification, Pressure Equipment Directive (PED) requirements, Transportation & Power Generation (TPG) requirements. Further, the Company has also received Re- Certification of EMS ISO 14001 Environmental System certification and Marine Certification as per DNV Rules for Classification of Ships. In addition to this, the Company also complies with Supplier Assessment Audits conducted by its customers constantly.

## **AWARDS**

During the year, the Company has been awarded the Supplier Excellence Recognition 2023 from Caterpillar Inc.

## **FINANCE**

The Company incurred a finance cost of Rs. 20.03 Lakhs during the year. As on the date of this report, there is no long term debt obligation for the Company.



**TRANSFER TO RESERVES**

The Company has transferred Rs 200 Lakhs out of the current year profits to General Reserves during the year and an amount of Rs. 6145.76 lakhs is retained in the Statement of Profit & Loss.

**SHARE CAPITAL**

During the year under review, the Company has not altered/modified its authorised share capital and the Company has not made any fresh issue of shares.

As on 31st March 2024, the authorized capital of the is Rs. 5,00,00,000/- divided into 50,00,000 equity shares of Rs. 10/- each. The Issued, Subscribed and Paid-up equity capital of the Company as on 31st March, 2024 is Rs. 4,23,21,040/- divided into 42,32,104 equity shares of Rs. 10/- each fully paid up.

**TRANSFER OF UNCLAIMED DIVIDEND TO EDUCATION AND PROTECTION FUND:**

In terms of Section 124 and 125 of the Companies Act, 2013, the Unclaimed Dividend relating to the Financial Year 2016-17, is due for transfer during October, 2024 to the Investor Education and Protection Fund (IEPF) established by the Central Government.

During the year under review, as per the requirements of Section 124(6) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (IEPF Rules), 6278 Equity Shares of Rs. 10/- each on which dividend had remained unclaimed for a period of 7 years has been transferred to the credit of the demat Account identified by the IEPF Authority. As on 31st March 2024, 1,01,243 Equity Shares of the Company were in the credit of the Demat Account of the IEPF Authority.

**WEB LINK OF ANNUAL RETURN**

The Annual Return of the Company for the financial year 2023-24 as required under Section 92(3) of the Companies Act, 2013 is available on the website of the Company and can be accessed on the Company's website at the link <https://www.magnacast.com/uploads/invsbpdf/invsbpdf2024-06-18-dlqd66715d592cb99.pdf>

**BOARD AND ITS COMMITTEE MEETINGS CONDUCTED DURING THE PERIOD UNDER REVIEW**

During the year under review, Five (5) Meetings of the Board of Directors were held. The details of the composition of the Board and its Committees namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee and Meetings held and attendance of the Directors at such Board / Committee Meetings are provided in the Corporate Governance Report under relevant heads which forms a part of this Report.

**STATEMENT ON COMPLIANCE WITH SECRETARIAL STANDARDS**

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively. The Company has duly complied with Secretarial Standards issued by the Institute of Company Secretaries of India on meeting of the Board of Directors (SS-1) and General Meetings (SS-2).

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departure from those standards;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) The Directors have taken proper and sufficient care for 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 have prepared the annual accounts on a going concern basis;
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) The Directors had devised proper system to ensure compliance with the provisions of all the applicable laws and such systems were adequate and operating effectively;

## **DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

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

## **DECLARATION OF INDEPENDENT DIRECTORS**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'] so as to qualify themselves as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules of the Listing Regulations. Further, they have also declared that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

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

Sri. K Gnanasekaran, Dr. R Nandini, Dr. Jairam Varadaraj, Sri. G D Rajkumar and Smt. Vijayalakshmi Narendra.

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

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

The Board of Directors have evaluated the Independent Directors appointed/ re-appointed during the year 2023-24 and opined that the integrity, expertise and experience (including proficiency) of the Independent Directors is satisfactory.

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

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy on nomination, appointment and remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and employees of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other matters pursuant to the provisions of Section 178 of the Companies Act, 2013 and in terms of Regulation 19(4) of the Listing Regulations. The detailed Remuneration Policy can be accessed on the Company's website at the link <https://www.magnacast.com/uploads/invsubpdf/nomination-and-remuneration-policy-31012022-amended-subd62d0ea3371161.pdf>

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

The Company has no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review. However, the investments made during the earlier years are provided under the notes to Balance Sheet appearing elsewhere in this Annual Report. Further, the Company has not accepted any Fixed deposits.

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

All the transactions of the Company its related parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations (as amended) during the financial year 2023-24 were in the ordinary course of business and on an arm's length basis.

Pursuant to Regulation 23 of the Listing Regulations, the Company had obtained the approval of the Shareholders to enter into material related party transactions with one of its related parties. For the Financial Year 2024-25, approval of Shareholders is being sought to enter into material related party transactions with its Related Party.

The particulars of Material Related Party Transactions which are at arms' length basis is provided in Form AOC-2 and the same is annexed to the Boards Report as **Annexure -B**.

The Policy on Related Party Transactions is made available at the Company's website and the same can be accessed through the link at <https://www.magnacast.com/uploads/invsubpdf/rpt-policy-revised-01042022-i08w626a42626c262.pdf> .

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

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial year ended 31st March, 2024 relate and the date of the report.

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

The information pertaining to conservation of energy, technology absorption, Foreign Exchange Earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure - C** attached to this report.

**STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

The Company continues to focus attention on the risk areas identified and in case of any adverse situation, suitable mitigation steps are taken. The Company has adopted a comprehensive and integrated risk appraisal, mitigation and management process. The risk mitigation measures and procedures of the Company are placed before the Audit Committee/ Board periodically for review and improvement. The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

**DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

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

The brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are furnished separately vide **Annexure - D** to this Report. The policy relating to CSR has been displayed on the Company's website and can be accessed at <https://www.magnacast.com/uploads/invsbpdf/csr-policy-tzos608aa07b65155.pdf>

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

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

The Independent Directors has also convened a separate meeting for this purpose on 3rd February, 2024 and inter-alia, reviewed the performance of the Non- Independent Directors and the Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company and the Board.

**DIRECTORS & KEY MANAGERIAL PERSONNEL**

The Board of Directors at their Meeting held on 30th May, 2023 have appointed :

- i. Sri. Ajeya Vel Narayanaswamy (DIN: 07553660) as an Additional Non-Executive Non-Independent Director;
- ii. Smt. Vijayalakshmi Narendra (DIN: 00412374) as an Additional Non-Executive Independent Director to hold office for a period of 5 years.

Subsequently, the appointments were approved by the Shareholders at their Meeting held on 26th August, 2023.

Sri. Ajeya Vel Narayanaswamy (DIN: 07553660) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment.

The Nomination and Remuneration Committee and Board of Directors at their respective meetings held on 29th May 2024 after considering the qualifications, credentials and the required criteria as per statutory requirements, have recommended to the Shareholders for their approval, the proposal for:

- i. Appointment of Sri. Vidyaprakash Arjunprakash (DIN: 00835823) as Non-Executive Independent Director of the Company to hold office for a period of 5 years with effect from 16th August, 2024.
- ii. Continuation of Directorship of Sri. N. Krishna Samraj (DIN: 00048547) as Managing Director of the Company upon attaining age of 70 years on 26th March, 2025 for the remaining period of his term of 5 years (i.e) until 16th January, 2027;

The Key Managerial Personnel of the Company as required pursuant to Section 2(51) and 203 of the Companies Act, 2013 as on 31st March, 2024 are:

1. Sri. N. Krishna Samaraj - Managing Director,
2. Sri. M. Malmarugan - Executive Director
3. Sri. R. Ravi - Chief Financial Officer and
4. Ms. Divya Duraisamy - Company Secretary

During the year under review, Smt. Sangeetha. C has resigned from the office of Company Secretary on 1st November, 2023 and Ms. Divya Duraisamy is appointed as the Company Secretary with effect from 1st November, 2023.

The second term of appointment of Sri. K. Gnanasekaran, Dr. Jairam Varadaraj and Dr. R. Nandini as Independent Directors is ending in the upcoming Financial year on 18th August, 2024.

#### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

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

#### **FIXED DEPOSITS**

Since the Company has not accepted any fixed deposit covered under Chapter V of the Companies Act, 2013, there are no deposits remaining unclaimed or unpaid as on 31st March, 2024 and accordingly, the question of default in repayment of deposits or payment of interest thereon during the year does not arise.

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

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

#### **ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

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

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

**AUDITORS****STATUTORY AUDITORS**

M/s. VKS Aiyer & Co., (Firm Registration No. 000066S), Chartered Accountants, Coimbatore, were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 31st Annual General Meeting held on 23rd September, 2021 for a period of 5 consecutive years till the conclusion of the 36th Annual General Meeting to be held in the year 2026.

The Company has received necessary consent letter and certificate from M/s. VKS Aiyer & Co., (Firm Registration No. 000066S), Chartered Accountants, Coimbatore, to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3) of the Act and that they are not disqualified from being appointed as the Statutory Auditors of the Company.

**SECRETARIAL AUDITORS**

M/s. MDS & Associates LLP, Company Secretaries, Coimbatore (LLPIN: ABZ 8060)(Peer Review No: 3030/2023) were appointed as the Secretarial Auditors of the Company for the year 2024-25 to carry out the Secretarial Audit, pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014,

The report of the Secretarial Auditors for the financial year 2023-24 is annexed as **Annexure- E** to this Report.

**COST AUDITORS**

The Board of Directors on the recommendation of the Audit Committee, has appointed M/s. SBK & Associates, Cost Accountants, Chennai as the Cost Auditors of the Company for the financial year 2024-25. Pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Accounts) Rules, 2014, the remuneration payable for the year 2024-25 to the Cost Auditors of the Company is subject to ratification by the Shareholders at the ensuing Annual General Meeting.

**DISCLOSURE ON MAINTENANCE OF COST RECORDS**

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

**COMMENTS ON AUDITORS' REPORT**

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. VKS Aiyer & Co, Statutory Auditors and M/s. MDS & Associates LLP, Secretarial Auditors in their respective audit reports.

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

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

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

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

## **INDUSTRIAL RELATIONS**

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

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

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to define the policy and redress complaints received. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed of during the year 2023-24:

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

## **PARTICULARS OF EMPLOYEES**

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

In terms of provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing names of the employees drawing remuneration and other particulars, as prescribed in the said Rules forms part of this report. However, in terms of first proviso to Section 136(1) of the Act, the Annual Report, excluding the aforesaid information, is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member who is interested in obtaining these particulars may write to the Company Secretary of the Company.

During the year, the Company had no employee who was employed throughout the FY or part thereof and was in receipt of remuneration, which in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company

## **CORPORATE GOVERNANCE**

Pursuant to Regulation 34(3) of the Listing Regulations, a report on Corporate Governance along with a Certificate from the Company Secretary in Practice confirming the compliance of the provisions of Corporate Governance, forms an integral part of this Annual Report and are given in **Annexure - G** respectively.

## **AUDIT COMMITTEE**

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

required under Section 177(8) of the Companies Act, 2013 with respect to rejection of any recommendations of Audit Committee by the Board.

## **CEO/CFO CERTIFICATION**

As required under Regulation 33 (2) (a) of the Listing Regulations, the Managing Director and the Chief Financial Officer of the Company have furnished necessary certificate to the Board on the Financial Statements presented, which is annexed as **Annexure - H** to this report.

## **VIGIL MECHANISM AND WHISTLE BLOWER POLICY**

The Company has provided for adequate safeguards to deal with instances of fraud and mismanagement and to report concerns about unethical behavior or any violation of the Company's Code of Conduct. During the year under review, there were no complaints received under this mechanism. The policy can be accessed on the Company's website at <https://www.magnacast.com/uploads/invsbpdf/whistle-blower-policy magna-30012022-m7cc63f9e7353a01a.pdf>

## **ACKNOWLEDGEMENT**

The Directors wish to place on record their appreciation of the support and co-operation extended by the Company's Bankers, M/s. Union Bank of India and M/s. Axis Bank, the various Government Agencies and in particular the Tamil Nadu Electricity Board and the employees of the Company at all levels for being an invaluable part of the team. The Directors would also like to thank all the stakeholders for the unwavering support that propels the Company forward.

As we continue to navigate the ever-evolving business landscape, we remain committed to transparency, excellence, and delivering value. May the blessings of Almighty illuminate our path, fortify our endeavors, and propel our Company toward greater heights.

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

Place : Coimbatore  
Date : 29.05.2024

J. Vijayakumar  
Director  
DIN: 00002530

N. Krishna Samaraj  
Managing Director  
DIN: 00048547



**FINANCIAL HIGHLIGHTS**

<b>5 Year Highlights</b>					(₹ In Lakhs)
<b>Financial year ended 31st March</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Operating Results</b>					
Sales and Other Income	9847.19	9901.87	13747.47	16793.63	14529.36
Operating Profit	1320.74	1144.93	1546.45	2913.78	2534.23
Finance Cost	11.58	7.50	32.32	34.42	20.03
Gross Profit	1309.16	1139.77	1514.13	2879.36	2514.20
Depreciation	436.45	417.18	458.88	550.37	436.40
Taxation	181.44	183.57	262.00	599.52	529.69
CSR Expenditure	22.61	21.16	20.35	17.24	37.19
<b>Net Profit</b>	<b>668.66</b>	<b>517.86</b>	<b>772.90</b>	<b>1712.23</b>	<b>1510.92</b>
Dividend (including dividend tax)	138.10	63.48	105.80	126.96	211.61
Retained Profit	530.56	454.38	667.10	1585.27	1299.31
<b>Performance Parameters</b>					
Net Fixed Assets	3136.06	2950.34	3081.45	3870.63	4124.27
Share Capital	458.22	423.21	423.21	423.21	423.21
Reserves	6891.59	6710.53	7407.98	9012.85	10414.65
Net Worth	7349.81	7133.74	7831.19	9436.06	10837.86
Return on Net Worth %	9.10	7.26	9.87	18.15	13.94
Borrowings	-	-	491.29	-	-
Debt Equity Ratio	-	-	0.06	-	-
Dividend (%)	25	15	25	30	50
Earnings per share (₹ )	14.59	11.67	18.26	40.46	35.70

**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

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

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

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

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

<b>Particulars</b>	<b>Details</b>
Name (s) of the related party & nature of relationship	M/s. Samrajyaa and Company Partners of M/s. Samrajyaa and Company are related to Sri. N. Krishna Samaraj, Managing Director and Sri. Ajeya Vel Narayanaswamy and Sri. J.Vijayakumar, Directors of the Company.
Nature of contracts/arrangements / transaction	Availing/ rendering of any services or Sale/ Purchase of Components / materials & Machining Charges
Duration of the contracts / arrangements/ transaction	33rd Annual General Meeting to 34th Annual General meeting
Salient terms of the contracts or arrangements or transaction including the value, if any	The Related Party Transactions (RPTs) entered during the period were in the ordinary course of business and at arm's length basis. Transaction Price shall be based on the prevailing market price and shall not be less than the price charged for such transactions to unrelated third parties having such dealings or transactions with them. Transaction Value is Rs.2500 Lakhs
Date of approval by the Board	30.05.2023
Date of approval at AGM	26.08.2023
Amount paid as advances, if any	NIL

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

J. Vijayakumar  
Director  
DIN: 00002530

N. Krishna Samaraj  
Managing Director  
DIN: 00048547

Place : Coimbatore  
Date : 29.05.2024

**PARTICULARS PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014:**

**A. Conservation of Energy:**

**(i) Steps Taken for conservation of Energy:**

The Company is constantly taking effective steps to conserve energy wherever possible.

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

YEAR	2024	2023	2022	2021	2020
Number of Units per Ton of good castings	1993	1943	*2023	*2033	1912

\*The increase in consumption of power is due to product mix, additional environmental controls and power interruptions.

Power Consumption	2023-24		2022-23	
	No of Units	%	No of units	%
Total Electricity	1,30,05,778	100.00	1,42,23,446	100.00
Own Generation – Windmill	54,07,601	41.58	61,78,532	43.44
Purchased from TNEB	22,43,521	17.25	68,29,234	48.01
Third Party Purchase	-	-	-	-
Solar Power	53,54,656	41.17	12,15,680	8.55

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

The Company has installed three Wind Energy Generators with a total capacity of 3.25 MW as part of the Green initiative and generation of Clean Energy.

The Company has invested in Solar Power Project as a Captive User for generation of Solar Power implemented at Sivaganga District, Tamilnadu in collaboration with First Energy TN1 Private Limited which has started its operation from December, 2022. This project facilitates the Company to reduce its Power Cost substantially.

The generation from this Solar Project as well as from the existing Wind Energy Generators has met 83% of the Company's power demand at its existing capacity limits during the year.

**(iii) Capital Investment on energy conservation equipment: Nil**

**B. Technology absorption & Research & Development**

1) Efforts made towards technology absorption, adaptation and innovation:

The feedback from Customers' for usage of new material grade has been quite encouraging and hence it will be used in the regular production. The various technical improvements have also been introduced to improve the life of the materials.

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

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

3) Expenditure incurred on Research & Development:

(₹ in Lakhs)

<b>Expenditure on R&amp;D</b>	<b>2023-24</b>	<b>2022-23</b>
Capital	-	-
Revenue	117.60	115.89
Total	117.60	115.89
R&D Expenditure as a percentage of Turnover	0.81	0.70

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

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

(₹ in Lakhs)

<b>Particulars</b>	<b>2023-24</b>	<b>2022-23</b>
Foreign Exchange Earnings	6615.84	7646.09
Foreign Exchange Outgo	416.74	254.65

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

Place : Coimbatore  
Date : 29.05.2024

J. Vijayakumar  
Director  
DIN: 00002530

N. Krishna Samaraj  
Managing Director  
DIN: 00048547

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

### 1. Brief outline on CSR Policy of the Company

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

The history of Magna's Corporate Social Responsibility began two decades back even before the concept Corporate Social Responsibility was mandated to Companies by Statutory Authorities. Magna considers planting trees as a noble endeavor with far-reaching benefits for our planet and future generations and has planted around 4000 saplings 20 years back. The size of trees tells a story of Magna's long-term dedication to environmental stewardship. Magna also has long history of spending reasonable amount toward social welfare activities especially in healthcare activities.

The Corporate Social Responsibility Policy of the Company includes activities such as eradicating Hunger, Poverty, and Malnutrition, Promoting Education, Gender Equality and Empowerment, Environmental Sustainability, Support for Armed Forces Veterans and War Widows, Contributions to Relief Funds, Rural Development and Disaster Management and additional activities specified in Section 135 of the Companies Act, 2013, along with Schedule VII, considered by CSR Committee.

### 2. Composition of CSR Committee

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

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

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

The web-link where the Composition of the CSR Committee is disclosed on the website of the Company is <https://www.magnacast.com/uploads/invsbpdf/invsbpdf2022-02-07-521c6200c96caaec2.pdf> .

The web-link where the CSR policy is disclosed on the website of the Company is <https://www.magnacast.com/uploads/invsbpdf/csr-policy-tzos608aa07b65155.pdf> .

The web-link where the CSR projects approved by the board are disclosed on the website of the Company is <https://www.magnacast.com/uploads/invsbpdf/csr-activities-for-the-financial-year-2023-24-bbeq662f4bde89786.pdf>.

**4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable:**

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

- 5.**
- |   |                  |
|---|------------------|
| (a) Average net profit of the Company as per Section 135(5)   | Rs.1336.78 Lakhs |
| (b) Two percent of average net profit of the Company as per Section 135(5)                              | Rs.26.73 Lakhs   |
| (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years | NIL              |
| (d) Amount required to be set off for the financial year, if any  | Rs.24.02 Lakhs   |
| (e) Total CSR obligation for the financial year   | Rs.2.71 Lakhs    |
- 6.**
- |  |                |
|--|----------------|
| (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) | Rs.13.17 Lakhs |
| (b) Amount spent in Administrative Overheads.  | NIL            |
| (c) Amount spent on Impact Assessment, if applicable.                                  | NA             |
| (d) Total amount spent for the Financial Year [ (a) + (b) + (c) ]                      | Rs.13.17 Lakhs |

**(e ) CSR amount spent or unspent for the Financial Year:**

Total Amount Spent for the Financial Year, (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to unspent CSR Account as per Section 135 (6).		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5).		
	Amount.	Date of transfer	Name of the fund	Amount	Date of transfer
37.19 (Includes excess of Rs.24.02 Lakhs from previous years)	NIL	NA	NA	NIL	NA

# Note: As per the CSR Committee's recommendation, During the year, the Company has set off the excess/ surplus available in CSR Spent in the previous financial years

**f) Excess amount for set off, if any**

Sl.No	Particulars	Amount ( ₹ in Lakhs.)
i)	Two percent of average net profit of the Company as per Section 135 (5)	26.73
ii)	Total amount spent for the Financial Year	13.17 (Excess from previous years is 24.02)
iii)	Excess amount spent for the financial year [(ii-i)]	10.46
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
v)	Amount available for set off in succeeding financial years [(iii) - (iv)]	10.46

**7. Details of Unspent CSR amount for the preceding three financial years:**

S. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Balance amount in unspent CSR amount under Section 135(6) (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a fund as specified under Schedule VII as per Section 135(5), if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	2020-21	-	-	-	-	-	-	-
2	2021-22	-	-	-	-	-	-	-
3	2022-23	-	-	-	-	-	-	-
	<b>TOTAL</b>	-	-	-	-	-	-	-

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

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

**9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5). - NA**

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

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

Place : Coimbatore  
Date : 29.05.2024

**R. Nandini**  
Chairperson of CSR Committee  
DIN: 00002223

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

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024**

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

To

The Members,

**MAGNA ELECTRO CASTINGS LIMITED**

(CIN: L31103TZ1990PLC002836)

Old No.62, New No.43,

Balasundaram Road

Coimbatore – 641 018.

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

Based on our verification of **M/s.Magna Electro Castings Limited’s** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 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) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and
  - e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018



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

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

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

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

- a. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021;
- d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- e. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018; and
- f. The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021.

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

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

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

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

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

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

**For MDS & Associates LLP**  
Company Secretaries

**M D SELVARAJ**  
Managing Partner

Membership No.: FCS 960 C P No.: 411  
Peer Review No. 3030/2023  
UDIN: F000960F000429729

Place : Coimbatore  
Date : 29.05.2024

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

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

To

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

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. 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 Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For MDS & Associates LLP**  
Company Secretaries

**M D SELVARAJ**

Managing Partner

Membership No.: FCS 960 C P No.: 411

Peer Review No. 3030/2023

UDIN: F000960F000429729

Place : Coimbatore

Date : 29.05.2024

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

1.	Ratio of remuneration of the Managing Director to the median remuneration of the employees of the Company for the financial year	
	Managing Director	29 :1
	Executive Director	20:1
2.	Percentage increase in remuneration of the Managing Director, Chief Financial Officer and Company Secretary	
	a. Managing Director	28% *
	b. Executive Director	25%
	c. Chief Financial Officer	3%
	d. Company Secretary	-6%
3.	Percentage increase in median remuneration of employees in the financial year	11%
4.	No of permanent employees on the rolls of the Company	231
5.	Average percentile increase in employees remuneration (other than managerial remuneration) in the last financial year	9%
6.	Percentage increase in managerial remuneration	13%

(\*Remuneration paid to Managing Director for FY2023-24 includes 1% commission on profits)

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

During the financial year 2023-24, there were no employees in the Company who were in receipt of remuneration exceeding in aggregate Rs.1.02 Crores, if employed for the whole year and Rs. 8.50 Lakhs per month, if employed for any part of the year.

No employee is relative (in terms of the Companies Act, 2013) of any Director of the Company. Further no employee of the Company is covered by the Rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, that is employee, holding by himself or with his family, shares of 2% or more in the Company and drawing remuneration in excess of the Managing Director.

## REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2024, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

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

The corporate vision of Magna is to best align the interests of individual, Company and society at large. Magna has consistently encouraged the efficient use of resources and attributes accountability for the stewardship of those resources. As a good corporate citizen, it is the best endeavor of Magna to improve its focus on Corporate Governance by increasing transparency as detailed below.

### 2. Board of Directors

The Company's Board of Directors presently comprises of nine (9) Directors including two (2) Executive and seven (7) Non-Executive Directors (out of which five (5) are Independent Directors which includes (2) Women Independent Directors and two (2) Non-Executive Non-Independent Director). The Executive Directors of the Company are Sri. N. Krishna Samaraj, Managing Director and Sri. M. Malmarugan, Executive Director. The Directors are professionals, who have expertise in their respective functional areas and bring a wide range of skills and experience to the Board.

The Board met Five times during the Financial Year on 30th May, 2023 ; 7th August, 2023; 1st November, 2023; 5th February, 2024 and 26th March, 2024. The details of composition of Board, no. of other directorships in other public companies, chairmanship and membership in Committees of other public companies as held by the directors of the Company, attendance of directors at board meetings and last annual general meetings are given below:

Name of the Director	Category	Attendance Particulars		No. of Directorships in other Public Companies#	No. of Committee positions held in all Companies \$ (Member/ Chairman)
		Board Meeting	Last AGM		
Sri.J.Vijayakumar (DIN: 00002530)	Non-Executive/ Non- Independent	4/5	Yes	1	3/1
Sri. N. Krishna Samaraj (DIN: 00048547)	Managing Director Promoter	5/5	Yes	1	1/0
Sri.K.Gnanasekaran (DIN: 00133645)	Non-Executive/ Independent	5/5	Yes	1	4/3
Dr.R.Nandini (DIN: 00002223)	Non-Executive/ Independent	4/5	Yes	0	2/0
Dr.Jairam Varadaraj (DIN: 00003361)	Non-Executive/ Independent	3/5	No	5	2/0
Sri. G. D. Rajkumar (DIN: 00197696)	Non-Executive/ Independent	5/5	No	1	1/0
Sri. M. Malmarugan (DIN: 09610329)	Executive Director	5/5	Yes	0	0
Sri. Ajeya Vel Narayanasamy (DIN:07553660)	Non-Executive/ Non-Independent	5/5	Yes	0	0
Smt. Vijayalakshmi Narendra (DIN: 00412374)	Non-Executive/ Independent	5/5	Yes	2	3/0

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

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

Sri. Ajeya Vel Narayanaswamy is the son of Sri. N. Krishna Samaraj, Managing Director of the Company. None of the other directors and key managerial personnel are related to each other

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

As per the disclosures received from the Directors, none of the Directors serve as member of more than 10 committees nor they are the Chairman / Chairperson of more than 5 committees, as per the requirements of the Listing Regulations.

#### Other Directorships:

Directors	Details of the other listed entities where the Directors hold directorship	
	Name of the listed entity	Designation
Sri.J.Vijayakumar (DIN: 00002530)	Nil	Nil
Sri. N. Krishna Samaraj (DIN:00048547)	Shanthi Gears Limited	Non-Executive - Independent Director
Sri.K.Gnanasekaran (DIN: 00133645)	Kovilpatti Lakshmi Roller Flour Mills Limited	Non-Executive - Independent Director
Dr.R.Nandini (DIN: 00002223)	Nil	Nil
Dr. Jairam Varadaraj (DIN No.00003361)	Elgi Rubber Company Limited	Non-Executive - Non-Independent Director
	Thermax Limited	Non-Executive-Independent Director
	Elgi Equipments Limited	Managing Director- Promoter
Sri.G.D. Rajkumar (DIN: 00197696)	L G Balakrishnan & Bros Limited	Non-Executive-Independent Director
Sri. M. Malmarugan (DIN: 09610329)	Nil	Nil
Sri. Ajeya Vel Narayanasamy (DIN:07553660)	Nil	Nil
Smt. Vijayalakshmi Narendra (DIN: 00412374)	Super Sales India Limited	Non-Executive -Independent Director
	Ambika Cotton Mills Limited	Non-Executive -Independent Director

#### Statement showing number of Equity Shares held by the Non-Executive Directors as on 31st March, 2024:

S. No.	Name of Director	No. of equity Shares held (as on March 31, 2024)
1.	Sri.J.Vijayakumar	10,100
2.	Sri.K.Gnanasekaran	-
3.	Dr.R.Nandini	-
4.	Dr.Jairam Varadaraj	-
5.	Sri.G. D. Rajkumar	-
6.	Sri. Ajeya Vel Narayanasamy	3,63,000
7.	Smt. Vijayalakshmi Narendra	-

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

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

**INDEPENDENT DIRECTORS**

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of Listing Regulations, the Independent Directors of the Company have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

**Independent Director Databank Registration:**

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs amending the Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2019, all Independent Directors must have completed the registration with the Independent Directors Databank. Requisite disclosures/ documents have been received from the Directors in this regard.

**Familiarization Program for Independent Directors:**

The Company through its Managing Director / Executive Director / Key Managerial Personnel / Senior Management Personnel conducts programs and presentations to familiarize the Independent Directors of their roles, rights, responsibilities in the Company, nature of the Industry in which the Company operates, business model of the Company, strategy, operations and functions of the Company as and when required.

At the time of appointment of an Independent Director, a meeting is set-up with the Key Managerial Personnel to discuss the functioning of the Board and the nature of operations of the Company. The details on Familiarization Program imparted to Independent Directors have been posted on the Company’s website at <https://www.magnacast.com/uploads/invsubpdf/familiarisation-programme-2023-24-htqm65ea9cacb47ab.pdf>

**Key Board Qualifications, skills, expertise and attributes:**

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

The list of core skills / expertise / competencies identified by the Board of Directors as required in the context of Company’s Business Vertical(s) and those already available with the Board are as follows:

<b>Core Skill / Expertise / Competencies</b>	<b>DESCRIPTION</b>
Financial	Experience in Financial Management and reporting process and expertise in Taxation, principal accounting, Auditing or performing similar functions.
General Administration	Leadership experience in managing companies and associations including General Management
Strategic Planning	Industry experience including its entire value chain and in-depth experience in Corporate Strategy and Planning, Organization Process and Risk Management.

Technology	Knowledge of how to anticipate technological trends, innovations, and create new business models.
Global Business	Multiple geography and cross-cultural experience, with an understanding of diverse business environments, economic conditions to secure market opportunities
Social Responsibility	Relevant experience and knowledge in the matters of Corporate Social Responsibility including Environment, Sustainability, Healthcare, Education and Values

Name of the Director	Area of Expertise
<b>Sri. J Vijayakumar</b>	Financial, General Administration, Strategic Planning
<b>Sri. N. Krishna Samaraj</b>	Financial, General Administration, Strategic Planning, Technology, Global Business, Social Responsibility
<b>Sri. K. Gnanasekaran</b>	Financial, Strategic Planning
<b>Dr. R. Nandini</b>	Financial, General Administration, Strategic Planning, Social Responsibility
<b>Dr. Jairam Varadaraj</b>	Financial, General Administration, Strategic Planning, Technology, Global Business, Social Responsibility
<b>Sri. G D Rajkumar</b>	Financial, General Administration, Strategic Planning, Technology, Global Business, Social Responsibility
<b>Sri. M. Malmarugan</b>	Financial, General Administration, Strategic Planning, Technology, Global Business, Social Responsibility
<b>Sri. Ajeya Vel Narayanasamy</b>	Financial, General Administration, Strategic Planning, Technology, Global Business, Social Responsibility
<b>Smt. Vijayalakshmi Narendra</b>	Financial, General Administration, Strategic Planning, Technology, Social Responsibility

#### **Confirmation on the fulfillment of the conditions of independence:**

Based on the declarations received from the Independent Directors, the Board of Directors are of the opinion that the Independent Directors fulfill the conditions specified in the Listing Regulations and the Companies Act, 2013 and are independent of the management.

#### **Resignation of Independent Directors before expiry of tenure**

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

#### **Separate Meeting of the Independent Directors:**

Pursuant to Schedule IV of the Companies Act, 2013, the Independent Directors of the Company met on 3rd February, 2024 without the presence of Non-Independent Directors and Members of the Management. The Independent Directors, inter alia, evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, considering views of Executive and Non-Executive Directors and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.



## COMMITTEES OF THE BOARD

The Board has constituted the following Committees of Directors to deal with matters referred to it for timely decisions:

- 1) Audit Committee, 2) Nomination and Remuneration Committee, 3) Stakeholders Relationship Committee, 4) Share Transfer Committee and 5) Corporate Social Responsibility Committee.

### 3. Audit Committee

#### Brief Description and Terms of Reference

The Board has constituted a well-qualified Audit Committee in compliance with Section 177 of the Companies Act, 2013 read with Regulation 18 of the Listing Regulations. All the members of the Audit Committee have knowledge of finance, accounts and engineering industry. The quorum for an audit committee meeting is a minimum two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

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

During the year under review, the Committee met Five (5) times on 30th May, 2023, 7th August, 2023, 1st November, 2023, 5th February, 2024 and 26th March, 2024. The Composition of the Audit Committee and the attendance of each member of the Committee is given below. The maximum time gap between any two meetings was not more than one hundred and twenty days.

#### Composition of the Committee, meetings and attendance:

Name of the Member	Category	No. of Meetings held during the year	No. of Meetings attended
Sri.K.Gnanasekaran (Chairman)	Non-Executive/ Independent	5	5
Sri.J.Vijayakumar (Member)	Non-Executive/ Non-Independent	5	4
Dr.R.Nandini (Member)	Non-Executive/ Independent	5	5
Sri. G. D. Rajkumar (Member)	Non-Executive/ Independent	5	5

The Company Secretary acts as the Secretary to the Audit Committee. The minutes of the Audit Committee meetings were circulated to the Board, where it was discussed and taken note of. The Audit Committee considered and reviewed the accounts for the Financial Year 2023-24, before it was placed in the Board.

As required under the Secretarial Standards, the Chairman of the Committee or in his absence, any other Member of the Committee authorised by him/her on his behalf shall attend the General Meeting of the Company. The Chairman of the Audit Committee had attended the Annual General Meeting held on 26th August, 2023.

#### 4. Nomination and Remuneration Committee

##### Brief Description and Terms of Reference

The Nomination and Remuneration Committee is constituted in compliance with the requirements of Regulation 19 of the Listing Regulations and Section 178 of the Companies Act, 2013.

The terms of reference of this committee have been mandated with the same as specified in Regulation 19 read with Part D of Schedule II of the Listing Regulations and also with the requirement of Section 178 of the Companies Act, 2013.

During the year under review, the Committee met three times on 24th May, 2023, 1st November, 2023 and 3rd February, 2024.

##### Composition, name of members, meetings and attendance:

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

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

As per section 178(7) of the Act and Secretarial Standards, the Chairperson of the Committee or, in his absence, any other Member of the Committee authorised by his in this behalf shall attend the General Meetings of the Company. The Chairman of the Nomination and Remuneration Committee had attended the Annual General Meeting held on 26th August, 2023.

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

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

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for recommendation, appointment and fixing/revising remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and employees of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other matters. The salient features of Remuneration policy of the Company is annexed to the Board's Report and the detailed policy can also be accessed on the Company's website at the link <https://www.magnacast.com/uploads/invsbpdf/nomination-and-remuneration-policy-31012022-amended-subd62d0ea3371161.pdf>.

**Performance evaluation of Non-Executive Directors and Independent Directors:**

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

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

Accordingly, pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. They also evaluated various aspects of the Board such as adequacy of the composition of the Board and its Committees, Board Diversity, execution and performance of specific duties, obligations and governance.

**DETAILS OF REMUNERATION TO DIRECTORS:**

Remuneration and sitting fees paid to Executive and Non-Executive Directors during the year ended 31st March, 2024 are as follows:

(₹ In Lakhs)

Name	Salary	Perquisites	Sitting Fees	Others	Total
Sri.J.Vijayakumar	-	-	1.85	-	1.85
Sri.K.Gnanasekaran	-	-	2.35	-	2.35
Dr.R.Nandini	-	-	1.55	-	1.55
Dr.Jairam Varadaraj	-	-	0.60	-	0.60
Sri. G. D. Rajkumar	-	-	1.75	-	1.75
Sri.N.Krishna Samaraj	103.41	-	1.60	-	105.01
Sri.M Malmarugan	73.24	-	1.00	-	74.24
Sri. Ajeya Vel Narayanaswamy	-	-	1.00	-	1.00
Smt. Vijayalakshmi Narendra	-	-	1.00	-	1.00

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

The criteria of making payments to Non - Executive Directors is appearing on the website of the Company at <https://www.magnacast.com/uploads/invsbpdf/nomination-and-remuneration-policy-31012022-amended-subd62d0ea3371161.pdf> .

No Stock options were granted/convertible instruments issued to Non-Executive Directors of the Company during the financial year ended 31st March 2024. No service contracts were entered into with the Directors, their appointment is governed by the respective resolutions passed at the General Meeting of the Company in line with the requirements of the Companies Act, 2013 and Listing Regulations.

## 5. Stakeholders Relationship Committee:

### Brief Description and Terms of Reference

The Stakeholders Relationship Committee was constituted in compliance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 and Part D of Schedule II of the Listing Regulations.

The Stakeholders Relationship Committee comprises of three Directors. The Committee is chaired by Sri.J.Vijayakumar, Non-Executive Non-Independent Director. During the year under review, the Committee met four times on 30th May,2023, 7th August, 2023, 1st November, 2023 and 3rd February, 2024.

### Composition of the Committee, Meetings and attendance

Name of the Member	Category	No. of Meetings held during the year	No. of Meetings attended
Sri.J.Vijayakumar (Chairman)	Non-Executive/ Non-Independent	4	3
Sri.N.Krishna Samaraj (Member)	Executive/ Non- Independent	4	4
Sri.K.Gnanasekaran (Member)	Non-Executive/ Independent	4	4

As per section 178(7) of the Act and the Secretarial Standards, the Chairman of the Committee or, in his absence, any other Member of the Committee authorised by him in this behalf shall attend the General Meetings of the Company. The Chairman of the Stakeholders Relationship Committee had attended the Annual General Meeting held on 26th August, 2023.

Smt. Sangeetha C, Company Secretary of the Company had served as the Compliance Officer till 1st November, 2023. With effect from 1st November, 2023, Ms. Divya Duraisamy serves as the Compliance Officer of the Company.

The Stakeholders Relationship Committee of the Board is empowered to oversee the redressal of investors complaints pertaining to share transfer, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfers and transmission of shares and other miscellaneous complaints. The committee also approved transmission of shares, change of name, name deletion and issue of duplicate certificates(s) and the Letter(s) of confirmation (In lieu of physical share certificate(s)) has been issued.

During the year, the Company has received 4 complaints and replied all the 4 complaints to the satisfaction of shareholders. There were no pending / outstanding complaints as on 31st March 2024.

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

### Senior management:

The senior management of the Company as on the date of the report comprises of the following employees:

1. Sri. R.Ravi, Chief Financial Officer
2. Ms. Divya Duraisamy, Company Secretary #
3. Sri. V Mohanraj, Vice President - Marketing

# Appointed on 1st November, 2023.

During the year, Smt.C. Sangeetha, ceased to be a Member of Senior Management effective 1st November, 2023 due to resignation.

**Unclaimed Suspense Account:**

The Company has a Suspense Escrow Demat Account in compliance with SEBI Circular No. SEBI/HO/MIRSD/PoD-1/OW/P/2022/64923 dated 30th December, 2022. No share has been credited to that account during the financial year under review.

**Unclaimed Shares Transferred to Investor Education and Protection Fund Authority:**

Pursuant to Section 124(6) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred 6,278 shares to IEPF Authority Account during the financial year. The voting rights on the shares outstanding in the IEPF Authority as on March 31, 2024, shall remain frozen till the rightful owner of such shares claims the shares.

Details of Unclaimed Shares Suspense Account:	Number of Shareholders	Number of Shares
Aggregate number of shareholders and the outstanding shares in the shares suspense account lying as on April 1, 2023	Nil	NA
Number of shareholders who approached the Company for transfer of shares from shares suspense account during the year	Nil	NA
Number of shareholders to whom shares were transferred from unclaimed shares suspense account during the year	Nil	NA
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	Nil	NA
Aggregate number of shareholders and the outstanding shares in the shares suspense account lying as on March 31, 2024	Nil	NA

**6. Corporate Social Responsibility (CSR) Committee:**

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

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

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

During the year under review, the Committee met two times on 30th May,2023 and 27th July, 2023.

**Composition, name of members, meetings and attendance:**

Name of the Member	Category	No. of Meetings held during the year	No. of Meetings attended
Dr. R Nandini (Chairperson)	Non-Executive/ Independent	2	2
Sri.N.Krishna Samaraj (Member)	Executive/ Non- Independent	2	2
Sri.G D Rajkumar (Member)	Non-Executive/ Independent	2	2

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

**7. General Body Meetings**

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

Year	Date of Meeting	Time of Meeting	Venue of the Meeting	Special Resolutions Passed, if any
2022-23	26.08.2023	3.30 pm	<i>Video Conference Mode</i> Deemed Venue: 43, Balasundaram Road, Coimbatore-641018	a. Appointment of Smt. Vijayalakshmi Narendra (DIN: 00412374) as a Non-Executive Independent Director of the Company;
2021-22	26.08.2022	3.30 pm	<i>Video Conference Mode</i> Deemed Venue: 43, Balasundaram Road, Coimbatore-641018	a. Appointment of Sri. M. Malarugan as Executive Director
2020-21	23.09.2021	3.30 pm	<i>Video Conference Mode</i> Deemed Venue: 43, Balasundaram Road, Coimbatore-641018	a. Re-appointment of Sri. N. Krishna Samaraj as Managing Director.

**8. Extra Ordinary General Meeting:**

During the year under review no Extra Ordinary General Meeting was held

**9. Postal Ballots:**

During the year, the Company has not passed any resolution through postal ballot.

**Postal Ballot proposed to be conducted:**

As on date of this report, the Company does not foresee any special resolution that is proposed to be conducted through postal ballot.

**10. Means of Communication**

The Company is regularly publishing quarterly unaudited and audited financial results and notice advertisements in Financial Express and Malai Malar (vernacular language). The Company is posting the quarterly results and other statutory information in the Company’s website www.magnacast.com. The Company does not display any official news releases in the website of the Company and also it has not made any presentations to the institutional investors or to the analysts during the year.

**11. General shareholder information:**

i.

i.	34th Annual General Meeting date, time and venue	16th August, 2024 at 4.00 P.M. Through Video Conference Mode Deemed Venue: 43, Balasundaram Road, Coimbatore-641018
ii.	Financial calendar Tentative Schedule for considering Financial Results: For the Quarter ending June 30, 2024 For the Quarter ending September 30, 2024 For the Quarter ending December 31, 2024 For the Quarter/Year ending March 31, 2025	1st April, 2024 to 31st March, 2025  On or before 14th August, 2024  On or before 14th November, 2024  On or before 14th February, 2025  On or before 30th May, 2025
iii.	Dividend payment date	Within 30 days from the date of AGM
iv.	Dividend Record Date  Date of Book Closure	Friday, 9th August, 2024  10th August, 2024 to 16th August, 2024 (Both days inclusive)
v.	Listing on Stock Exchanges	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001.  The Company has paid the requisite Listing Fees to BSE Limited where the Company’s equity shares are listed.
vi.	Scrip Code Scrip Name ISIN No.	517449 MAGNAELQ INE437D01010

vii.	Registrars and Share Transfer Agents for both Dematerialised and physical shares	<p>M/s. Link Intime India Private Limited Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028. Tel : 0422-2314792 / 4958995/ 2539835/36 Email : coimbatore@linkintime.co.in</p> <p>(SKDC Consultants Limited, erstwhile Registrars and Share Transfer Agents of the Company has merged with Link Intime India Private Limited with effect from 22nd December, 2023.)</p>
viii.	Details of Compliance Officer	<p>Ms.Divya Duraisamy, Company Secretary 43 (Old No.62) Balasundaram Road Coimbatore – 641 018. Ph: 0422 2240109 Fax: 0422 2246209 Email: divya.d@magnacast.com</p>
ix.	Share Transfer system	<p>SEBI has vide circular dated 25th January 2022, prescribed procedures for processing the service requests of shareholders like transmission, issue of duplicate shares, and for conversion of the physical holding into dematerialised form through issue of Letter of Confirmation upon completion of the service request. The shares mentioned in the Letter of Confirmation issued by the Company/RTA is to be dematerialised within 120 days from the date of the Letter of Confirmation. In case of non-dematerialisation within the prescribed period as aforesaid, such shares are to be transferred to an Unclaimed Demat Suspense Escrow Account. The Company has opened a demat account in the name of “Magna Electro Castings Limited Unclaimed Securities Suspense Escrow Account” in compliance with SEBI Circular No. SEBI/HO/MIRSD/PoD-1/OW/P/20223/64923 dated December 30, 2022. No share has been credited to that account during the financial year under review.</p>

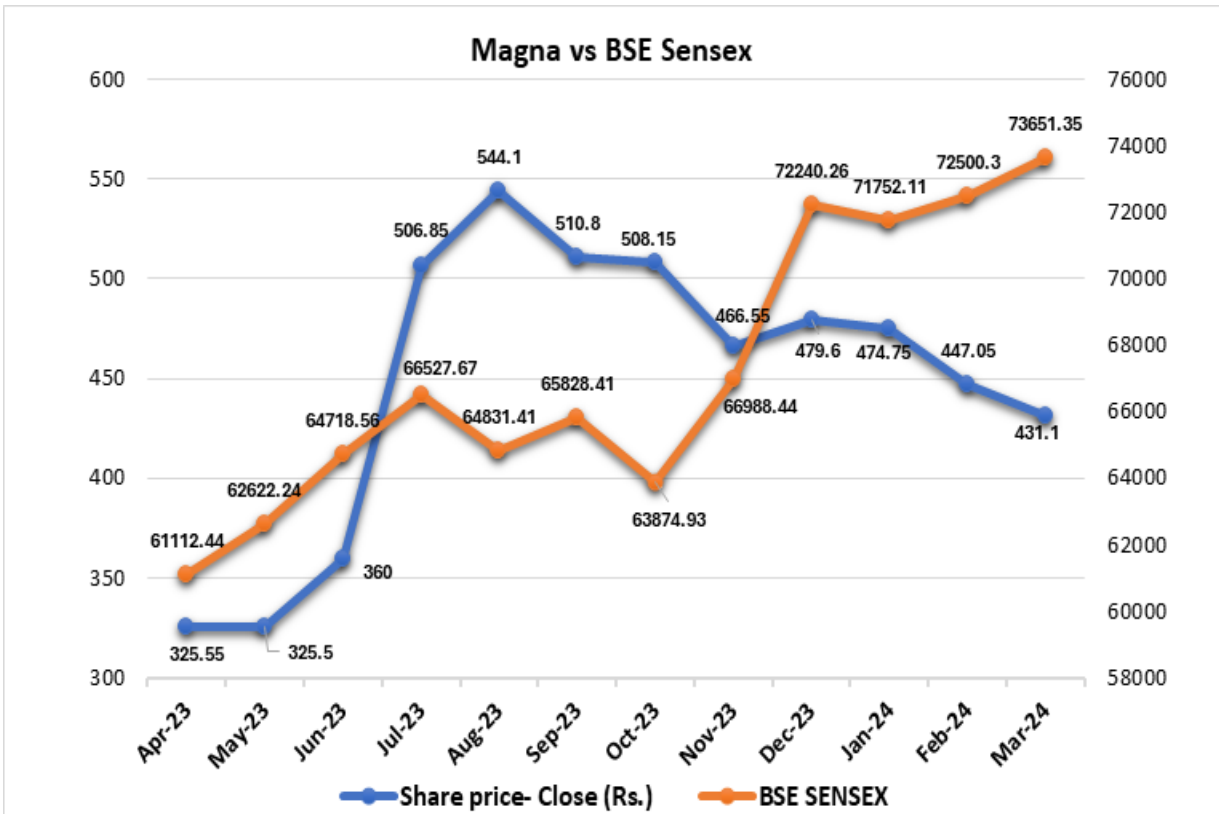
**ii. The Stock Price Data during the year at BSE Limited, Mumbai is furnished below (in Rupees):**

Month	High (₹)	Low (₹)
Apr -2023	346.90	266.05
May -2023	362.90	310.00
Jun -2023	369.10	316.00
Jul -2023	593.85	349.30
Aug -2023	566.50	429.10
Sep -2023	555.00	462.60
Oct -2023	521.20	452.00
Nov-2023	542.00	445.00
Dec-2023	491.00	436.90
Jan -2024	589.00	462.00
Feb -2024	484.00	400.20
Mar-2024	479.85	388.00



iii. Share Price Performance in comparison with BSE Sensex:

Month	Magna Electro Castings Limited	S&P BSE Sensex
	Share price- Close (₹)	Sensex- Close
Apr-23	325.55	61112.44
May-23	325.50	62622.24
Jun-23	360.00	64718.56
Jul-23	506.85	66527.67
Aug-23	544.10	64831.41
Sep-23	510.80	65828.41
Oct-23	508.15	63874.93
Nov-23	466.55	66988.44
Dec-23	479.60	72240.26
Jan-24	474.75	71752.11
Feb-24	447.05	72500.3
Mar-24	431.10	73651.35



**(iv) Shareholding pattern as on 31.03.2024**

Category	No of shares	% of Share Holding
Indian Promoters	22,59,176	53.38
Private Corporate bodies	1,80,845	4.27
Indian Public	13,85,250	32.73
HUF	47,703	1.13
NRIs	2,55,347	6.04
IEPF Authority	1,01,243	2.39
Trusts	440	0.01
NBFC	2100	0.05
<b>Grand Total</b>	<b>42,32,104</b>	<b>100.00</b>

**(v) Distribution of shareholding as on 31st March, 2024**

Shareholding (Range)	No. of Share Holders	% of Shareholders	No. of Shares	% of Share Holding
1 - 500	4601	89.93	4,38,989	10.37
501 - 1000	210	4.11	1,58,968	3.76
1001 - 2000	111	2.17	1,63,622	3.87
2001 - 3000	99	1.94	2,45,655	5.80
3001 - 4000	19	0.37	67,868	1.60
4001 - 5000	13	0.25	61,140	1.44
5001 - 10000	22	0.43	1,62,461	3.84
10001 and above	41	0.80	29,33,401	69.31
<b>Total</b>	<b>5116</b>	<b>100.00</b>	<b>42,32,104</b>	<b>100.00</b>

vi.	Dematerialisation of shareholding and liquidity	Number of shares dematerialized :40,73,403 Percentage : 96.25 % (Promoters have completely dematerialized their shareholdings)
vii.	Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity	Not Applicable
viii.	Commodity price risk or foreign exchange risk and hedging activities	Not Applicable
ix.	Plant location	SF No.34 and 35 (Part), Coimbatore Pollachi Main Road Mullipadi village, Tamaraikulam Post, Pollachi Taluk, Coimbatore District 642 109
x.	Address for Correspondence / Contact address for shareholder:	Refer 11 (viii) above

xi.	Credit Ratings:	<p>CARE Ratings Limited has reaffirmed/assigned CARE BBB+; Stable Ratings to Long Term Bank Facilities and reaffirmed CARE A2 Ratings to Short Term Bank Facilities.</p> <p>The Company does not have any Debt instruments or fixed deposit programme or any scheme or proposal involving mobilization of funds either in India or abroad that requires Credit Rating.</p>
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**12. Disclosures**

**a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:**

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

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

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

**b. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:**

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

**c. Details of establishment of vigil mechanism / whistle blower policy, and affirmation that no personnel has been denied access to the audit committee:**

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

The Whistle Blower policy can be accessed on the Company's website at <https://www.magnacast.com/uploads/invsbpdf/whistle-blower-policymagna-30012022-m7cc63f9e7353a01a.pdf>.

**d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in the Listing Regulations.

The Board has taken cognizance of the non-mandatory requirements and shall consider adopting the same as and when necessary.

**e. Web link where policy for determining 'material' subsidiaries is disclosed:**

The Company does not have a subsidiary Company and hence the requirement of disclosing the web link of policy for determining 'material' subsidiaries is not applicable.

**f. Web link where policy on dealing with related party transactions is disclosed:**

The policy on dealing with related party transactions can be accessed on the Company's website at <https://www.magnacast.com/uploads/invsubpdf/rpt-policy-revised-01042022-i08w626a42626c262.pdf> .

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

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

**h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):**

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 a Company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority:**

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

**j. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:**

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

**k. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:**

The Company has paid a sum of Rs. 13.25 Lakhs as fees on consolidated basis to the Statutory auditor and all entities in the network firm / entity of which the Statutory auditor is a part for the services rendered by them.

**l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

- i. Number of complaints filed during the financial year – NIL
- ii. Number of complaints disposed of during the financial year – NIL
- iii. 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 subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:**

The Company does not have any material subsidiaries.

**o. Disclosure on accounting treatment:**

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

**p. Disclosure on risk management:**

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

**q. Details on the compliance of non-mandatory requirements:**

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

**r. Other disclosures**

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

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

**13. Disclosure of certain types of agreements binding listed entities – Not Applicable**

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

The Managing Director and CFO's certification of the Financial Statements for the year has been submitted to the Board of Directors, as required under the Listing Regulations.

**15. Code of Conduct:**

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

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

<https://www.magnacast.com/uploads/invsubpdf/code-of-conductsebipit-2015-amended-06112019-dnmp5efd8873abd63.pdf>.

**16. Declaration for code of conduct**

As provided under Listing Regulations, the Board of Directors of the Company have laid down the Code of Conduct for the Directors and the Senior Management Personnel. A declaration has been received from the Managing Director to the effect that the Directors and Senior Management Personnel have confirmed compliance with the said Code of Conduct is annexed to this report.

**DECLARATION BY THE MANAGING DIRECTOR / CEO UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING THE COMPLIANCE WITH THE CODE OF CONDUCT**

I, N. Krishna Samaraj, Managing Director of Magna Electro Castings Limited, declare that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended 31st March, 2024 in terms of Regulation 26(3) read with Schedule V (Part D) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Coimbatore  
Date : 29.05.2024

N. Krishna Samaraj  
Managing Director  
DIN: 00048547

**CERTIFICATE ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31/03/2024**

To

**The Members of  
M/s. MAGNA ELECTRO CASTINGS LIMITED**

Dear Sir,

We have examined the compliance of the conditions of Corporate Governance by M/s. Magna Electro Castings Limited ("the Company") for the financial year ended March 31, 2024 as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and based on the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2024.

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

**For MDS & Associates LLP**  
Company Secretaries

**M D SELVARAJ**  
Managing Partner

Place : Coimbatore  
Date : 29.05.2024

Membership No.: FCS 960 C P No.: 411  
Peer Review No. 3030/2023  
UDIN: F000960F000429784

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

To

**The Members of**

**M/s. MAGNA ELECTRO CASTINGS LIMITED**

(CIN: L31103TZ1990PLC002836)

Old no 62 New No.43

Balasundaram Road

Coimbatore - 641018

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

In 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) 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 **31st 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.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Krishna Samaraj Narayanaswamy (Managing Director)	00048547	22/08/1990
2	Mr. Vijayakumar Naidu Janardhana	00002530	22/08/1990
3	Mr. Karuppuswamy Gnanasekaran	00133645	19/09/2001
4	Mrs. Nandini Rangaswamy	00002223	27/10/2003
5	Mr. Jairam Varadaraj	00003361	28/10/2004
6	Mr. Rajkumar Doraisamy Gopalasamy	00197696	31/01/2022
7.	Mr. Manickam Malmarugan (Executive Director)	09610329	30/05/2022
8.	*Mrs. Vijayalakshmi Narendra	00412374	30/05/2023*
9.	*Mr. Ajeya Vel Narayanaswamy	07553660	30/05/2023*

\* Mrs. Vijayalakshmi Narendra was appointed as an Independent Director of the Company for a period of 5 years with effect from 30th May 2023 and Mr. Ajeya Vel Narayanaswamy was appointed as Non-Executive Non-Independent Director of the Company with effect from 30th May 2023.

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.

**For MDS & Associates LLP**

Company Secretaries

**M D SELVARAJ**

Managing Partner

Place : Coimbatore

Date : 29.05.2024

Membership No.: FCS 960 C P No.: 411

Peer Review No. 3030/2023

UDIN: F000960F000429751

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

In three decades of progress, Magna Electro Castings Limited has carved out a niche for itself as a pioneer supplier of engineered cast products to multinational companies globally. Magna's unique selling proposition (USP) is supplying of technically challenging low to medium volume cast products. It has established itself as the 'Go-To' Company for high-quality and technically challenging products in United States, Europe and India.

Magna adheres to high moral standards in its business practices and upholds equal treatment and dignity for all its employees, customers, partners and stakeholders. Magna is a transformative force in the industry which creates meaningful change, whether through its products, services or initiatives.

Magna's Environment Social and Governance (ESG) initiatives, aims to meet the highest standards for sustainability and ethical conduct and create a positive impact on society and the environment while maintaining robust corporate governance.

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

**Industry structure and Development:**

The foundry market stands as a cornerstone of industrial production, supplying essential components for a myriad of industries ranging from automotive to aerospace. The India foundry market is segmented by end-user (automotive, electrical and construction, industrial machinery, and other end -users) and by type (gray iron casting, non-ferrous casting, ductile iron casting, steel casting, and malleable casting). The Indian foundry industry has experienced consistent growth in recent years, driven by rising demand across various sectors such as automotive, engineering, energy, and infrastructure. The Indian Foundry Market size is estimated to be USD 19.46 billion in 2024. It is projected to reach USD 31.77 billion by 2029, growing at a CAGR of 10.30% during the forecast period (2024-2029) as per research reports.

With an annual production of 12 million tons of castings, India is already in the second place in the world ranking behind China. There are approximately 4500 foundries in India. Last year, castings worth of 3.5 billion US dollars were exported all over the world. The signs point out a great growth potential through engineering capability, installed capacity and quality of the Indian Foundry Industry.

Indian foundries are also increasingly focusing on environmentally friendly materials, recycling, and waste reduction in order to keep an eye on their ecological footprint.

**Operations:**

The Company was able to **maintain its profitability levels**, despite decrease in Operating revenue by 12.72 % from Rs. 16464.29 Lakhs in the previous year to Rs. 14369.78 Lakhs in the current year.

During the previous year, Profit Before Tax was Rs.2311.75 Lakhs which includes Operating profit of Rs 2140.94 Lakhs and One time profit from sale of asset of Rs. 170.81 Lakhs. During the year under review, Profit before tax was Rs 2040.61 Lakhs, **the majority of which was derived from Operating Profit**, amounting to Rs 2039.39 Lakhs.

During the year under review, due to inventory adjustment and shorter transit time, export business decreased by 13.47 % over the previous year. However, **the end customer demand remains the same**. During the year, the domestic market also underwent a demand correction.

**Despite decline in Operating Revenue**, the Company has strived hard to **maintain the operational profit margin to 17.44%** as compared to previous year margin of **17.35%**. This is mainly due to lower input cost, production efficiency and product mix. The raw material cost was relatively stable during the financial year ended 31st March, 2024.



During the year, **83% of the power consumption is sourced from green energy**. This commitment to sustainability not only benefits the environment but also contributes to cost savings and a cleaner future. Our share of green energy input will help the Company to satisfy the upcoming Carbon Border Adjustment Mechanism (CBAM) Regulations in Europe.

The total energy generation from Windmills and Solar Plant was 10762257 units, out of which Wind energy has contributed 5407601 units (41.58% of Total Consumption) and Solar energy has contributed 5354656 units (41.17% of Total Consumption).

**Opportunities:**

The foundry market is undergoing a transformative phase, characterized by technological innovation, sustainability imperatives, and globalization. Agility, innovation, and a global outlook will position foundries for success in the evolving landscape. As we delve into the trends shaping the foundry market, it becomes evident that adaptability and innovation are paramount for sustained growth and competitiveness. Foundries that proactively embrace change, invest in research, and prioritize sustainability will continue to shape the future of industrial manufacturing.

The Company foresees that the convergence of the “China Plus One” strategy, Rising manufacturing costs and Energy costs in Europe and Closure of foundries in the US presents, a tremendous growth opportunities for the Company.

**Threats:**

Economic fluctuations and market uncertainties can affect the demand for castings across various industries. The highly volatile raw material cost coupled with lack of skilled workers is a persistent challenge.

The ongoing crisis in the Red Sea shipping route is having significant implications for the global economy, including India’s export market. The change in trade routes results in longer travel distances and operational shifts for ships, leading to additional costs such as fuel expenses and lost value for time-sensitive cargo.

The Company needs to capitalize on the high demand for low and medium cast components, which requires vast engineering resources with the right mix of skills, experience and innovation to meet complex manufacturing challenges. The ability of the Company to ensure proper engineering capabilities and scale will be a determining factor in whether the Company can successfully capture these emerging opportunities.

**Environment, Safety and Energy Conservation Policy:**

The Company commits to environmental stewardship by minimizing its impact on natural resources, ecosystems and air quality. It adheres to all applicable environmental laws, regulations, and standards. During the year, the Company has satisfying milestone towards utilisation of renewable energy. It establishes safety protocols, conducts regular training, and ensures compliance with safety regulations. The Company has Wind Energy Generators and also invested in Solar Power Generation Project. The Company has also invested in Sand Reclamation Plants as a part of its drive to preserve precious natural resources.

**Risks and Concerns:**

The Company anticipates significant opportunities in the low to medium volume engineered castings. However, to take up this opportunity availability of skilled engineers and ability to scale engineering workforce has to be addressed. Timely action on addressing the engineering capability and scale will decrease these risks.

The Company has cyber security systems in place. As a proactive measure, the Company is planning to take cyber security audits to enhance and strengthen cyber security defenses.

**Internal control systems and their adequacy:**

The Company has adequate Internal Financial Control Systems in place. It has also engaged third party consultants to assess the adequacy or otherwise of its Internal Control Systems and to suggest various measures to improve the controls. This is also been monitored at periodical intervals by the Audit Committee of the Board.

**Personnel:**

Magna believes that by embracing Human resource development, the Company can build a more agile, responsive and people-centric organization. Magna's focus is on inspiring employees, fostering collaboration and ensuring a positive work environment. Magna concentrates on employees' safety measures, good infrastructure, healthy food and sanitation facilities etc., at its workplace. Further, the Company ensures utmost care for employees' safety at workplace by providing necessary equipments and safety measures and guidelines at regular intervals.

**Key Financial Ratios:**

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

Particulars	2023-24	2022-23
Trade Receivables Turnover Ratio	3.85	4.26
Trade Payables Turnover Ratio	4.63	4.87
Inventory Turnover Ratio	14.30	15.79
Working Capital Turnover Ratio	2.59	3.22
Interest Coverage Ratio	83.60 times	67.89 times
Current Ratio	4.07	3.24
Debt Equity Ratio	0.001	0.01
Operating Profit Margin	17.44%	17.35%
Net Profit Margin	10.51%	10.40%
Return on Net worth	13.94%	18.15%
Return on Capital Employed	19.01%	24.86%

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

Detailed explanations for significant changes in key financial ratios:

The difference in Interest Coverage Ratio and Debt Equity Ratio is due to decrease in utilization of Cash Credit Limit. As of date, there is no long term debt in the Company.

The difference in Inventory Turnover Ratio is due to improvement in inventory management.

The difference in Profit Margin is due to increase in profitability percentage of the Company.

The difference in return on net worth & capital employed are due to decrease in profitability.

The difference in Interest Coverage Ratio and Debt Equity Ratio is due to decrease in utilization of Cash Credit Limit. As of date, there is no long term debt in the Company.

The difference in Inventory Turnover Ratio is due to improvement in inventory management.

The difference in Profit Margin and Returns are due to increase in profitability of the Company.

**Cautionary Statement:**

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

**CEO AND CFO CERTIFICATION**

[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,  
Magna Electro Castings Limited

In compliance with Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby certify that,

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2024 and that to the best of their knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March, 2024 which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for the financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have not observed any deficiencies in the design or operation of such internal controls.
- (d) We have indicated to the Auditors and the Audit committee that there are:
  - i. No significant changes in internal control over financial reporting during the year ended 31st March, 2024;
  - ii. No significant changes in accounting policies during the year ended 31st March, 2024; and
  - iii. No instances of significant fraud where the involvement of the management or an employee having a significant role in the company's internal control system over financial reporting have been observed.

Place : Coimbatore

Date : 29.05.2024

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

**R.Ravi**  
**Chief Financial Officer**

**INDEPENDENT AUDITORS REPORT****TO THE MEMBERS OF MAGNA ELECTRO CASTINGS LIMITED****Report on the Audit of the Ind AS Financial Statements****Opinion**

We have audited the accompanying Financial Statements of Magna Electro Castings Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Financial Statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as “Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards (“Ind AS”), of the state of affairs of the Company as at March 31, 2024, its profit including other 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 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 Financial Statements” section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**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. We have determined that there are no key audit matters to communicate in our report.

**Information Other than the Financial Statements and Auditor’s Report Thereon**

The Company’s Management and the Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the annual report, for example, Director’s report and Management analysis including annexures thereon, but does not include the Financial Statements and our auditor’s report thereon.

The other information is expected to be made available to us after the date of this auditor’s report.

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

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

When we read the other information, as stated above, which is expected to be received after the date of our audit report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under applicable laws and regulations.

**Management's and Board of Director's responsibilities for the IND AS Financial Statements**

The Company's Management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, statement of changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Board of Directors are 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the IND AS Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and the Board of Directors.
- Conclude on the appropriateness of the management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) evaluating the effect of any identified misstatements in the Financial Statements.

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

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

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

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

- (1) As required by 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 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) (A) 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), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under section 133 of the Act read with relevant rules issued thereunder;
  - e. On the basis of the written representations received from the directors as on March 31, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 with reference to the Financial Statements of the Company and the operating effectiveness of such controls, we give our separate report in “Annexure 2”.
- (B) 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, 2021, 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 as on March 31, 2024 on its financial position in its Financial Statements – Refer Note 52 on Contingent Liabilities;
- (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv)
- a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 55 (a) to the Financial Statements, 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 persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
  - Provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries.
- b) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 55 (b) to the Financial Statements, 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 entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
  - Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c) Based on the audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause iv (a) and (b) contain any material misstatement
- v)
- a) The final dividend proposed with respect to previous year, declared and paid by the company during the year is in compliance with section 123 of the Companies Act 2013 as applicable.
- b) As stated in Note 42(b) to the Financial Statements, 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 applicable.

vi)

a) The company has used accounting software for maintaining its books of account for the financial year ended 31-03-2024 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.

b) Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

(C) 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: The remuneration paid to any director is not in excess of the Limit laid down under Section 197 of the Companies Act.

**For VKS Aiyer & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 000066S

Place : Coimbatore

Date : 29.05.2024

**C.S.Sathyanarayanan**  
Partner  
Membership No.028328  
UDIN: 24028328BKGSVR4304

## **ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT**

**[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Magna Electro Castings Limited on the Financial Statements for the year ended 31st March 2024]**

In our opinion and to the best of knowledge and belief, the books of accounts and records examined by us and according to the information and explanations given to us, 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, including quantitative details and situation of Intangible assets.

b) During the year, the company has conducted the physical verification of its property, plant and equipment as per the phased programme of verification of property, plant and equipment. The reconciliation between the physical verification and that of the fixed asset register is in progress and is expected to be completed in the ensuing year. We do not foresee any material impact on the financial statement consequent to the reconciliation.

c) The title deeds of all the immovable properties, recorded as property, plant and equipment and investment property (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) are held in the name of the Company.

d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.

e) There were no proceedings initiated or pending against the Company for holding any benami property under Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder.



- (ii) a) The inventories, except for goods-in-transit, were physically verified during the year by the Management at reasonable intervals. The coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies were noticed on physical verification between the physical stock and the book records that were 10% or more in the aggregate for each class of inventory. In respect of inventories held with third parties, written confirmations have been obtained and in respect of goods in transit, the goods have been received subsequent to the year-end.
- b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.
- (iii) The Company has not made any investments in, provided any guarantee or security, and 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, and hence reporting under clause (iii) of the order is not applicable.
- (iv) The Company has not granted loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
- a) Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities during the year.
- There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
- b) Details of statutory dues which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of Statute	Nature of the Dues	Amount (₹)	Period to which the Amount Relates	Forum where Dispute is Pending
Goods and Services Tax (excluding interest)	Blocked Credit	26,84,653	July-17 to March-20	Office of the Commissioner of GST and Central Excise (Appeals)
Goods and Services Tax (excluding interest)	Transitional Credit	13,84,902	FY 2017-18	Additional Commissioner of GST (Appeals)

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c) The company has been sanctioned with a term loan of Rs. 15 Crore during the year but has not availed the same as of the balance sheet date.
- d) On an 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) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) & (f) of the Order is not applicable.
- f) The company did not have any subsidiary or associate or joint venture during the year and hence reporting under clause (ix) (f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) There were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) The Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the

financial statements etc. as required by the applicable Indian accounting standards.

- (xiv) (a) The Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered the internal audit reports issued to the Company during the year and covering the period up to March 2024.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence, reporting under clause (xv) of the Order is not applicable.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) & (c) of the Order is not applicable.
- b) The Company is not a Core Investment Company as defined in the regulation made by RBI and hence reporting under (xvi) (d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, (Asset Liability Maturity (ALM) pattern) other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year.

**For VKS Aiyer & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 000066S

Place : Coimbatore  
Date : 29.05.2024

**C.S.Sathyanarayanan**  
Partner  
Membership No.028328  
UDIN: 24028328BKGSVR4304

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Magna Electro Castings Limited on the financial statements for the year ended 31st March, 2024

**Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Magna Electro Castings Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**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 March 31, 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 (the "Guidance Note").

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

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

**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 specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**For VKS Aiyer & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 000066S

**C.S.Sathyanarayanan**  
Partner  
Membership No.028328  
UDIN: 24028328BKGSVR4304

Place : Coimbatore  
Date : 29.05.2024

**BALANCE SHEET AS AT 31ST MARCH, 2024**

(₹ in lakhs)

Particulars	Notes	31.03.2024	31.03.2023
<b>I. ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2	4,124.27	3,870.63
Right-of-Use Assets	3	6.37	10.63
Capital Work-in-progress	4	119.62	91.59
Investment Property	5	174.85	152.82
Other Intangible Assets	6	3.91	5.74
Financial Assets			
i) Investments	7	144.00	144.00
ii) Other Financial Assets	8	223.57	224.12
Other Non-Current Assets	9	703.00	22.28
<b>Total Non-Current Assets</b>		<b>5,499.59</b>	<b>4,521.81</b>
<b>Current Assets</b>			
Inventories	10	1,074.60	934.94
Financial assets			
i. Trade receivables	11	3,641.08	3,819.50
ii. Cash and cash equivalents	12	180.49	159.43
iii. Bank balances other than (ii) above	13	2,076.06	2,043.98
iv. Other Financial Assets	14	85.60	71.22
Other Current Assets	15	285.51	372.36
<b>Total Current Assets</b>		<b>7,343.34</b>	<b>7,401.43</b>
<b>TOTAL ASSETS</b>		<b>12,842.93</b>	<b>11,923.24</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	423.21	423.21
Other equity	17	10,414.65	9,012.85
<b>Total Equity</b>		<b>10,837.86</b>	<b>9,436.06</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
i) Lease liabilities	18	-	8.09
Provisions	19	26.83	33.02
Deferred Tax Liabilities (Net)	20	175.98	160.52
<b>Total Non-Current Liabilities</b>		<b>202.81</b>	<b>201.63</b>

## BALANCE SHEET AS AT 31ST MARCH, 2024

(₹ in lakhs)

Particulars	Notes	31.03.2024	31.03.2023
<b>Current Liabilities</b>			
Financial Liabilities			
i) Borrowings	21	-	-
ii) Lease Liabilities	22	9.20	7.12
iii) Trade Payables	23		
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises		220.97	271.87
(b) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		590.86	978.18
iv) Other Financial Liabilities	24	914.70	898.38
Provisions	25	4.84	6.00
Other Current Liabilities	26	31.26	36.50
Current Tax Liabilities (Net)	27	30.43	87.50
<b>Total Current Liabilities</b>		<b>1,802.26</b>	<b>2,285.55</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,842.93</b>	<b>11,923.24</b>

Material Accounting Policies and Notes form an integral part of the financial statements.

**For and on behalf of the Board**

As per report of even date attached

**J.Vijayakumar**  
Director  
DIN : 00002530

**R Ravi**  
Chief Financial Officer

**For VKS Aiyer & Co.**  
Chartered Accountants  
ICAI Firm Regn. No. 000066S

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

**Divya D**  
Company Secretary  
Membership No. A65076

**C.S. Sathyanarayanan**  
Partner  
Membership No. 028328

Coimbatore  
29.05.2024

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024**

(₹ in lakhs)

Particulars	Notes	31.03.2024	31.03.2023
<b>Income</b>			
Revenue from Operations	28	14,369.78	16,464.29
Other Income	29	159.58	329.34
<b>Total Income</b>		<b>14,529.36</b>	<b>16,793.63</b>
<b>Expenses</b>			
Cost of Materials Consumed	30	4,752.35	6,092.09
Changes in inventories of Finished Goods and Work in progress	31	(113.25)	45.02
Manufacturing Expenses	32	3,879.10	4,360.57
Employee Benefits Expense	33	1,840.60	1,651.99
Finance Costs	34	20.03	34.42
Depreciation and Amortization Expenses	35	436.40	550.37
Other Expenses	36	1,673.52	1,747.42
<b>Total Expenses</b>		<b>12,488.75</b>	<b>14,481.88</b>
<b>Profit before tax</b>		<b>2,040.61</b>	<b>2,311.75</b>
<b>Tax expense</b>			
Current Tax	37	526.10	646.58
Deferred Tax		9.46	(47.06)
Prior year tax		(5.87)	-
<b>Profit for the year</b>		<b>1,510.92</b>	<b>1,712.23</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of Post Employment Benefit Obligations		23.84	(2.08)
Income Tax relating to these items		(6.00)	0.52
<b>Other Comprehensive Income for the year after tax</b>		<b>17.84</b>	<b>(1.56)</b>
<b>Total comprehensive income for the year</b>		<b>1,528.76</b>	<b>1,710.67</b>
<b>Earnings per equity share of ₹ 10 each</b>			
Basic earnings per share	38	35.70	40.46
Diluted earnings per share		35.70	40.46

Material Accounting Policies and Notes form an integral part of the financial statements.

**For and on behalf of the Board**

As per report of even date attached

**J.Vijayakumar**  
Director  
DIN : 00002530

**R Ravi**  
Chief Financial Officer

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Company Secretary  
Membership No. A65076

**C.S. Sathyanarayanan**  
Partner  
Membership No. 028328

Coimbatore  
29.05.2024



## STATEMENT OF CHANGES IN EQUITY

(₹ in lakhs)

## A) Equity Share Capital

## (1) For the year ended 31st March, 2024

Balance as at 1st April, 2023	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current period	Changes in equity share capital during the current year	Balance as at 31st March, 2024
423.21	-	423.21	-	423.21

## (2) For the year ended 31st March, 2023

Balance as at 1st April, 2022	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the previous period	Changes in equity share capital during the previous year	Balance as at 31st March, 2023
423.21	-	423.21	-	423.21

## B) Other Equity

## (1) For the year ended 31st March, 2024

Particulars	General Reserve	Retained Earnings	Capital Redemption Reserve	Other items of Other Comprehensive Income	Total
Balance as at 1st April, 2023	4,000.00	4,961.80	35.01	16.04	9,012.85
Profit for the year	-	1,510.92	-	-	1,510.92
Other Comprehensive Income	-	-	-	17.84	17.84
Dividends	-	(126.96)	-	-	(126.96)
Transfer from retained earnings	200.00	(200.00)	-	-	-
Any other change (to be specified)	-	-	-	-	-
<b>Balance as at 31st March, 2024</b>	<b>4,200.00</b>	<b>6,145.76</b>	<b>35.01</b>	<b>33.88</b>	<b>10,414.65</b>

**(2) For the year ended 31st March, 2023**

<b>Particulars</b>	<b>General Reserve</b>	<b>Retained Earnings</b>	<b>Capital Redemption Reserve</b>	<b>Other items of Other Comprehensive Income</b>	<b>Total</b>
Balance as at 1st April, 2022	3,800.00	3,555.37	35.01	17.60	7,407.98
Profit for the year	-	1,712.23	-	-	1,712.23
Other Comprehensive Income	-	-	-	(1.56)	(1.56)
Dividends	-	(105.80)	-	-	(105.80)
Transfer from retained earnings	200.00	(200.00)	-	-	-
Any other change (to be specified)	-	-	-	-	-
<b>Balance as at 31st March, 2023</b>	<b>4,000.00</b>	<b>4,961.80</b>	<b>35.01</b>	<b>16.04</b>	<b>9,012.85</b>

Material Accounting Policies and Notes form an integral part of the financial statements.

**For and on behalf of the Board**

As per report of even date attached

**J.Vijayakumar**  
Director  
DIN : 00002530

**R Ravi**  
Chief Financial Officer

**For VKS Aiyer & Co.**  
Chartered Accountants  
ICAI Firm Regn. No. 000066S

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

**Divya D**  
Company Secretary  
Membership No. A65076

**C.S. Sathyanarayanan**  
Partner  
Membership No. 028328

Coimbatore  
29.05.2024

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in lakhs)

Particulars	31.03.2024	31.03.2023
<b>Cash flow from operating activities</b>		
<b>Net Profit before income tax</b>	2,040.61	2,311.75
Adjustments for :		
Depreciation and Amortization Expenses	436.40	550.37
Bad debts written off	18.16	12.55
Payables written back	(1.65)	-
VAT refund written off	-	5.15
Expected credit loss	15.05	23.57
(Profit) / Loss on sale / disposal of Property, Plant and Equipment (Net)	(1.22)	(205.98)
Interest Received	(135.09)	(101.00)
Finance Costs	20.03	34.42
<b>Change in Assets and Liabilities</b>		
Other Bank balances	(32.08)	(578.78)
Trade receivables and Unbilled Revenue	145.21	60.54
Inventories	(139.66)	216.13
Trade payables	(436.58)	49.67
Other Financial Assets	(13.83)	(103.61)
Other Non-Current Assets	(680.71)	40.00
Other Current Assets	86.85	188.76
Employee Benefit Obligations	16.48	(6.25)
Other Financial Liabilities	16.32	86.59
Other Current Liabilities	0.63	(1.54)
<b>Cash generated from operations</b>	<u>1,354.92</u>	<u>2,582.34</u>
Income taxes paid	(583.17)	(626.20)
<b>Net cash generated by operating activities</b>	<b>(A) <u>771.75</u></b>	<b><u>1,956.14</u></b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(114.54)	(431.22)
Additions to Investment property	(30.43)	-
Purchase of intangible assets	-	(5.78)
Additions to CWIP	(591.09)	(921.24)
Sale of property, plant and equipment	5.39	212.69
Interest Received	135.09	101.00
Investment made during the year	-	(144.00)
<b>Net cash (used in) / from investing activities</b>	<b>(B) <u>(595.58)</u></b>	<b><u>(1,188.55)</u></b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024**

(₹ in lakhs)

Particulars	31.03.2024	31.03.2023
<b>Cash flows from financing activities</b>		
Proceeds from / (Repayment of) Current Borrowings (Net)	-	(491.29)
Finance Costs Paid	(20.03)	(31.58)
Repayment of Lease Liability	(8.12)	(5.70)
Dividends paid to Company's shareholders	(126.96)	(105.80)
<b>Net cash from / (used in) financing activities (C)</b>	<b>(155.11)</b>	<b>(634.37)</b>
<b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	<b>21.06</b>	<b>133.22</b>
Cash and cash equivalents at the beginning of the financial year	159.43	26.21
<b>Cash and cash equivalents at end of the year</b>	<b>180.49</b>	<b>159.43</b>

Material Accounting Policies and Notes form an integral part of the financial statements.

**For and on behalf of the Board**

As per report of even date attached

**J.Vijayakumar**Director  
DIN : 00002530**R Ravi**

Chief Financial Officer

**For VKS Aiyer & Co.**Chartered Accountants  
ICAI Firm Regn. No. 000066S**N Krishna Samaraj**Managing Director  
DIN : 00048547**Divya D**Company Secretary  
Membership No. A65076**C.S. Sathyanarayanan**Partner  
Membership No. 028328Coimbatore  
29.05.2024

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024**

**1 SIGNIFICANT ACCOUNTING POLICIES**

**A CORPORATE INFORMATION**

Magna Electro Castings Limited is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The address of its registered office and principal place of business are disclosed in the introduction to the Annual report. Its shares are listed on the Bombay Stock Exchange- BSE Limited. The Company is engaged in the manufacturing and selling of Cast Iron Components. The Company caters to both domestic and international markets. The financial statements are approved for issue by the Company's Board of Directors on 29th May, 2024.

**B GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IND AS**

These Financial Statements ('financial statements') of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented. The financial statements for the year ended 31st March, 2024 were authorised and approved for issue by the Board of Directors on 29th May, 2024.

**C BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. The presentation of financial statement is based on Ind AS Schedule III of the Companies Act, 2013.

The Financial Statements have been prepared & presented on the historical cost convention and on accrual basis, except for the following materials in the Balance Sheet:

- Financial assets are measured either at fair value or at amortised cost depending on their classification;
- Employee defined benefit assets/ liabilities are recognised as the net total of fair value of plan assets, adjusted for actuarial gains/losses and the present value of defined benefit obligations;
- Right-of-use of Assets are recognised at the present value of lease payments that are not paid as on that date.

**D MATERIAL ACCOUNTING POLICIES**

<b>Material Accounting policies</b>	<b>Para</b>	<b>Reference in Balance Sheet &amp; Profit and Loss Notes</b>
1. Property, Plant and Equipment	a	2
2. Inventory	b	10
3. Impairment of Non-Financial assets	c	2,4,5,6,7,35
4. Revenue Recognition	d	28
5. Financial Instruments	e	8,14,18,22,24

**a. PROPERTY, PLANT AND EQUIPMENT**

Property, Plant and Equipment (PPE), being fixed assets are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used for more than a period of twelve months.

Land is carried at cost. All other items of Property, Plant and Equipment (PPE) are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

**Initial Cost:** Initial cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its location and working condition necessary for it to be capable of operating in the manner intended by the Management and estimated costs of dismantling and removing the item and restoring the site on which it is located. Excess of net sale proceeds of items produced over the cost of testing are reduced from Directly attributable costs.

Items such as spare parts, stand-by equipment and servicing equipment are capitalized when they meet the definition of Property, Plant and Equipment.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

**Depreciation:** Depreciation on PPE are provided under Straight line method as per the useful lives and manner prescribed under Schedule II to the Companies Act, 2013. The Management believes that the estimated useful lives as per the provisions of Schedule II to the Companies Act, 2013, wherever adopted, are realistic and reflect fair approximation of the period over which the assets are likely to be used.

**The Company has used the following information to provide depreciation on its Property, Plant and Equipment:**

<b>Class of Assets</b>	<b>Useful Lives</b>
Buildings - Factory	30 Years
Plant & Machinery	
- Power Generation Plant	22 Years
- Other than Power Generation Plant – Triple Shift	7.5 Years
Furniture & Fittings	10 Years
Office Equipment	5 Years
Air Conditioner	5 Years
Computer	3 Years
Computer Server	6 Years
Vehicles - Two Wheelers	10 Years
Vehicles – Other than Two Wheelers	8 Years

## **b. INVENTORIES**

Inventories are valued at the lower of cost and net realizable value exclusive of applicable GST which is utilized as Input Tax Credit. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and appropriate proportion of variable and fixed overhead expenditure. Overhead expenditures are being allocated on the basis of normal operating capacity.

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

Cost of Finished Goods and Work in Progress is taken as cost of the materials and other cost of manufacture upto various stage of completion. Stores and spares are valued at cost on First in First out basis.

The Net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw Material, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the

finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on item-by-item basis.

Stores & Spares which do not meet the definition of PPE are accounted as inventories.

#### **c. IMPAIRMENT OF ASSETS**

The Company periodically assesses whether there is any indication that an asset or a group of assets may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets the recoverable amount is higher of the fair value less cost of disposal and value in use. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognized.

#### **d. REVENUE RECOGNITION**

Revenue is measured based on the transaction price specified in the contract with the customer. It excludes discounts, incentives, volume, rebates, Goods and service tax and amount collected on behalf of third parties.

**Revenue from contracts** with customers are recognized when the company satisfies the performance obligation by transfer of control to the customer of the promised goods or services.

**Revenue from sale of goods** are recognized when the control of goods are transferred to the customer at an amount that reflects the consideration which the company expects to be entitled in exchange for those goods.

The company assesses promises in the contract that has separate performance obligations to which a portion of the transaction price is allocated. In determining the transaction price of the goods, the company considers the effect of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer, if any.

**Unbilled revenue** is recorded for the goods that have been dispatched and supplementary invoices are yet to be raised. Revenue is measured at the fair value of the consideration received or receivable.

**Other Operating Revenues** comprise of income from ancillary activities incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.

#### **e. FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

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

Our Company has not entered any contract for purchase of financial derivative and hedging during the year.

**E OTHER ACCOUNTING POLICIES****a. PROPERTY, PLANT AND EQUIPMENT**

**Recognition & Measurement:** All Property, Plant & Equipment ('PPE') are stated at cost of acquisition/installation as adjusted for import duty waivers and foreign exchange losses or gains less accumulated depreciation and impairment losses

**Subsequent costs and disposal:** Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance/life.

All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

**Derecognition:** The carrying amount of an item of PPE is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Gains and losses on disposal of an item of PPE are determined by comparing the proceeds from disposal with the carrying amount of PPE, and are recognized net within other income/other expenses in statement of profit and loss.

**Capital-work-in-progress:** Assets in the course of construction are capitalized in capital-work-in-progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of Property, Plant and Equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, if there has been a significant change in the expected pattern of consumption of future economic benefits embodied in the asset, depreciation is charged prospectively to reflect the changed pattern.

**b. INTANGIBLE ASSETS AND AMORTISATION**

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

**c. LEASES**

**The Company as a lessor:** Assets subject to operating leases are included in PPE. Lease income on an operating lease is recognised in the statement of profit and loss on a straight line basis over the term of the relevant lease except to the extent that the lease payments are structured to compensate for the expected inflationary cost. Costs including depreciation are recognised as an expense in the statement of profit and loss.

**The Company as a lessee:** The Company's lease asset classes primarily consist of lease for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses



whether:

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

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

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

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

#### **d. CASH AND CASH EQUIVALENTS:**

Cash and cash equivalents comprise cash at bank and on hand and short-term, highly liquid deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **e. GOVERNMENT GRANTS**

Grants and subsidies from the government are recognised when there is reasonable assurance that

- (i) the Company will comply with the conditions attached to them, and
- (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset and presented within other income. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

#### **f. FINANCIAL INSTRUMENTS**

##### **(i) Financial Assets**

**Initial Recognition and Measurement:** The Company initially recognises loans and advances, deposits, debt

securities issues and subordinated liabilities on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Trade receivable that do not have significant financing component are initially recognized at transaction value.

**Classification of financial assets:** On initial recognition, a financial asset is classified to be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit and loss (FVTPL). A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- i) The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- ii) 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.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL;

- i) The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- ii) 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.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

### **Equity investments (other than investments in subsidiaries and joint ventures):**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognized in statement of profit or loss. The net gain or loss recognized in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognized when:

- a) The Company's right to receive the dividends is established,
- b) It is probable that the economic benefits associated with the dividends will flow to the entity,
- c) The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

**Investment in Subsidiaries, Associates and Joint ventures:**

The Company's investment in equity instruments of Subsidiaries, Associates and Joint venture are accounted for at cost as per Ind AS 27.

**Derecognition of financial assets:** The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

**Impairment:** The Company assesses at each reporting date whether a financial asset (or a group of financial assets) is impaired based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

**(ii) Financial liabilities and equity instruments**

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

**Recognition and initial Measurement**

A financial liability is classified as held for trading if:

- i) It has been incurred principally for the purpose of repurchasing it in the near term; or
- ii) on initial recognition it is part of a portfolio of identified financial instruments that the Company manages

together and has a recent actual pattern of short-term profit-taking; or

iii) it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

i) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

ii) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

iii) it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are de-recognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

#### **Trade and other payables**

These amounts represent liabilities for goods or services provided to the Company which are unpaid at the end of the reporting period. Trade and other payables are presented as current liabilities when the payment is due within a period of 12 months from the end of the reporting period. For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables falling due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortized cost unless designated as fair value through profit and loss at the inception.

#### **Other financial liabilities at fair value through profit or loss:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the profit or loss.

#### **Other financial liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities:**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange of substantially different terms of debt instruments with a lender is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**g. Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**h. Fair value measurement**

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. All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or
- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**i. REVENUE RECOGNITION**

**Dividend income** from investments is recognised when the Company's right to receive payment has been established.

**Interest Income** from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or shorter period, where appropriate to the gross carrying amount of the financial asset or to the amortized cost of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering

all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss. The expected cash flows are reassessed on a yearly basis and changes, if any, are accounted prospectively.

## **j. FOREIGN CURRENCY TRANSACTIONS**

### **Functional and presentation currency**

The Financial Statements are presented in Indian Rupee (₹) which is also the functional and presentation currency of the Company.

#### **(a) Initial recognition**

Transactions in foreign currencies are translated into the functional currency (i.e., ₹) of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transactions.

#### **(b) Conversion**

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

## **k. EMPLOYEE BENEFITS**

### **Retirement benefit costs and termination benefits:**

**(i) Defined Contribution Plan:** A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Employee State Insurance. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

**(ii) Defined Benefit Plan:** The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Past service cost is recognised in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- a) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- b) net interest expense or income; and
- c) re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. The Company presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary and also considering whether the Company will contribute this amount to the gratuity fund within the next twelve months.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

### **Short term obligations**

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

### **Other long term employee benefit**

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

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

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

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

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

## **I. BORROWING COST**

Borrowing cost includes interest expense as per Effective Interest Rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.



**m. EARNINGS PER SHARE**

Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

**n. TAXATION**

Income tax expense represents the sum of the current tax and deferred tax.

- (i) **Current income tax** assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in other comprehensive income / equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.
- (ii) **Deferred tax** is provided, using the balance sheet method, on all deductible temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes and on carry forward of unused tax credits and unused tax loss. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized outside profit or loss is recognised outside profit or loss (either in other comprehensive income or equity)

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 utilised. The carrying amount of deferred tax assets (including Minimum Alternate Tax credit available) is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

**Presentation of current and deferred tax:**

Current and deferred tax are recognized as income or expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**o. PROVISIONS**

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation such as incremental costs relating to Direct labour and materials and allocation of



other costs such as depreciation charge for an item of PPE used. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**p. CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Financial Statements.

Contingent assets are not recognised but disclosed in the Financial Statements when an inflow of economic benefits is probable.

**q. INVESTMENT PROPERTY**

Investment property is a land and/or building, held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business. Investment properties (if any), are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of profit and loss as incurred. Investment properties are depreciated using the straight-line method over their estimated useful lives.

**F SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

In the course of applying the policies outlined in all notes under section D & E above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

**Assumptions and Estimation Uncertainty:**

**(i) Useful Lives of Property, Plant and Equipment:**

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

**(ii) Impairment:**

Determining whether the assets are impaired requires an estimate in the value in use of the assets. The value in use calculation requires the Management to estimate the future cash flows expected to arise from the asset and a suitable discount rate in order to calculate present value. When the actual cash flows are less than expected, a material impairment loss may arise.

**(iii) Provisions and Contingencies:**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**(iv) Fair Value Measurement:**

When the fair values of financial assets or financial liabilities recorded or disclosed in the Financial Statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF 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. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 40.

**(v) Taxes:**

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**(vi) Defined Benefit Obligation:**

The costs of providing Gratuity and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note. 39, 'Employee benefits'.

(₹ in lakhs)

## NOTES TO THE FINANCIAL STATEMENTS:

## 2 Property, Plant and Equipment

Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer	Total
<b>Gross carrying value</b>								
<b>As at 1st April, 2022</b>	189.31	1,260.08	4,133.88	31.58	64.49	89.24	54.61	5,823.19
Additions during the year	369.46	741.03	182.73	6.92	13.99	10.77	8.38	1,333.28
Deletions during the year	0.68	-	5.13	-	8.40	-	-	14.21
<b>As at 31st March, 2023</b>	<b>558.09</b>	<b>2,001.11</b>	<b>4,311.48</b>	<b>38.50</b>	<b>70.08</b>	<b>100.01</b>	<b>62.99</b>	<b>7,142.26</b>
Additions during the year	-	235.76	352.06	22.45	48.30	15.39	3.64	677.60
Deletions during the year	-	-	46.16	-	13.45	1.05	-	60.66
<b>As at 31st March, 2024</b>	<b>558.09</b>	<b>2,236.87</b>	<b>4,617.38</b>	<b>60.95</b>	<b>104.93</b>	<b>114.35</b>	<b>66.63</b>	<b>7,759.20</b>
<b>Accumulated Depreciation</b>								
<b>As at 1st April, 2022</b>	-	305.64	2,306.72	18.67	39.91	27.70	43.10	2,741.74
Depreciation for the year	-	70.60	403.93	1.96	9.35	47.15	4.39	537.38
Withdrawn during the year	-	-	-	-	7.49	-	-	7.49
<b>As at 31st March, 2023</b>	<b>-</b>	<b>376.24</b>	<b>2,710.65</b>	<b>20.63</b>	<b>41.77</b>	<b>74.85</b>	<b>47.49</b>	<b>3,271.63</b>
Depreciation for the year	-	107.87	284.22	3.48	8.37	10.54	5.31	419.79
Withdrawn during the year	-	-	42.74	-	12.75	1.00	-	56.49
<b>As at 31st March, 2024</b>	<b>-</b>	<b>484.11</b>	<b>2,952.13</b>	<b>24.11</b>	<b>37.39</b>	<b>84.39</b>	<b>52.80</b>	<b>3,634.93</b>
<b>Net Carrying value</b>								
As at 31st March, 2023	558.09	1,624.87	1,600.83	17.87	28.31	25.16	15.50	3,870.63
<b>As at 31st March, 2024</b>	<b>558.09</b>	<b>1,752.76</b>	<b>1,665.25</b>	<b>36.84</b>	<b>67.54</b>	<b>29.96</b>	<b>13.83</b>	<b>4,124.27</b>

(i) The title deeds of immovable property (other than immovable properties where the company is the lessee, and the lease agreements are duly executed in favour of the company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.

(ii) The company has not revalued its Property, Plant and Equipment

Particulars	Buildings
<b>3 Right-of-Use Assets</b>	
<b>Gross Carrying Value</b>	
<b>As at 1st April, 2022</b>	<b>23.09</b>
Additions during the year	10.35
Deletions during the year	-
<b>As at 31st March, 2023</b>	<b>33.44</b>
Additions during the year	2.11
Deletions during the year	-
<b>As at 31st March, 2024</b>	<b>35.55</b>
<b>Accumulated Depreciation</b>	
<b>As at 1st April, 2022</b>	<b>18.37</b>
Depreciation for the year	4.44
Withdrawn during the year	-
<b>As at 31st March, 2023</b>	<b>22.81</b>
Depreciation for the year	6.37
Withdrawn during the year	-
<b>As at 31st March, 2024</b>	<b>29.18</b>
<b>Net Carrying Value</b>	
As at 31st March, 2023	10.63
<b>As at 31st March, 2024</b>	<b>6.37</b>

### 4 Capital Work-in-progress

Particulars	Building	Plant & Machinery	Others	Total
<b>Gross carrying value</b>				
<b>As at 1st April, 2022</b>	72.41	-	-	72.41
Additions during the year	663.77	257.47	-	921.24
Deletions during the year	727.93	174.13	-	902.06
<b>As at 31st March, 2023</b>	<b>8.25</b>	<b>83.34</b>	-	<b>91.59</b>
Additions during the year	312.77	278.32	-	591.09
Deletions during the year	252.38	310.68	-	563.06
<b>As at 31st March, 2024</b>	<b>68.64</b>	<b>50.98</b>	-	<b>119.62</b>

#### Disclosure Regarding CWIP

#### As at 31st March, 2024

CWIP	Amount in CWIP for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
-Projects in progress	119.62	-	-	-	119.62
-Projects temporarily suspended	-	-	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

## As at 31st March, 2023

CWIP	Amount in CWIP for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
-Projects in progress	91.59	-	-	-	91.59
-Projects temporarily suspended	-	-	-	-	-

\*There is no CWIP whose Completion Is Overdue/ Has Exceeded its cost compared to its Original Plan

## 5 Investment Property

Particulars	Land	Buildings	Total
<b>Gross carrying value</b>			
<b>As at 1st April, 2022</b>	<b>2.22</b>	<b>204.57</b>	<b>206.79</b>
Additions during the year	-	-	-
Deletions during the year	-	-	-
<b>As at 31st March, 2023</b>	<b>2.22</b>	<b>204.57</b>	<b>206.79</b>
Additions during the year	-	30.43	30.43
Deletions during the year	-	-	-
<b>As at 31st March, 2024</b>	<b>2.22</b>	<b>235.00</b>	<b>237.22</b>
<b>Accumulated Depreciation and Impairment</b>			
<b>As at 1st April, 2022</b>	-	<b>46.26</b>	<b>46.26</b>
Depreciation for the year	-	7.71	7.71
Withdrawn during the year	-	-	-
<b>As at 31st March, 2023</b>	-	<b>53.97</b>	<b>53.97</b>
Depreciation for the year	-	8.40	8.40
Withdrawn during the year	-	-	-
<b>As at 31st March, 2024</b>	-	<b>62.37</b>	<b>62.37</b>
<b>Net Carrying value</b>			
As at 31st March, 2023	2.22	150.60	152.82
<b>As at 31st March, 2024</b>	<b>2.22</b>	<b>172.63</b>	<b>174.85</b>

## Note:

- Fair Value of Land and Building held as Investment Property - ₹ 192.29 Lakhs (Previous year - ₹ 192.29 Lakhs)
- The fair value of investment property has been determined with reference to the guideline value for the year ended 31.03.2024 as determined by the Government for the location at which the property is situated and adjusted for the depreciated value of buildings. The management believes the fair value of the investment property as at the balance sheet date would not be significantly different from the guideline value.

## 6 Other Intangible Assets

Particulars	Computer Software		
<b>Gross Carrying Value</b>			
<b>As at 1st April, 2022</b>	3.55		
Additions during the year	5.78		
Deletions during the year	-		
<b>As at 31st March, 2023</b>	<b>9.33</b>		
Additions during the year	-		
Deletions during the year	-		
<b>As at 31st March, 2024</b>	<b>9.33</b>		
<b>Accumulated Amortisation</b>			
<b>As at 1st April, 2022</b>	2.75		
Amortization for the year	0.84		
Withdrawn during the year	-		
<b>As at 31st March, 2023</b>	<b>3.59</b>		
Amortization for the year	1.83		
Withdrawn during the year	-		
<b>As at 31st March, 2024</b>	<b>5.42</b>		
<b>Net Carrying Value</b>			
As at 31st March, 2023	5.74		
<b>As at 31st March, 2024</b>	<b>3.91</b>		
Particulars		<b>31.03.2024</b>	<b>31.03.2023</b>

## 7 Investments

### Investment in Equity instruments, fully paid up In others at FVTOCI

#### In Equity shares, unquoted

14,40,000 Equity Shares of ₹ 10 each fully paid up in  
First Energy TN1 Private Limited  
(Extent of Holding - 6.55%)

144.00

144.00

#### Total

**144.00**

**144.00**

Aggregate amount of quoted investments

-

-

Aggregate market value of quoted investments

-

-

Aggregate amount of unquoted investments

144.00

144.00

Aggregate amount of impairment in value of investments

-

-

Note:-The investments in Level 3 hierarchy has been valued at cost approach to arrive at the fair values as there is a wide range of possible fair value measurements and the cost represents the estimate of fair value within that range considering the purpose and restriction on the transferability of the instruments.

## 8 Other Financial Assets

Security deposits\*

223.57

224.12

#### Total

**223.57**

**224.12**

\*Security deposits comprises of deposits given for service providers such as electricity, telephone etc.,

## NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2024	31.03.2023
<b>9 Other Non-Current Assets</b>		
Capital advances	703.00	22.28
<b>Total</b>	<b>703.00</b>	<b>22.28</b>
<b>10 Inventories</b>		
Raw Materials	272.85	254.75
Work-in-progress	371.74	291.93
Finished Goods	128.84	95.40
Stores and Spares	301.17	292.86
<b>Total</b>	<b>1,074.60</b>	<b>934.94</b>
i) For method of valuation of inventories (Refer Note: 1)		
ii) Inventory with the above mentioned carrying amount have been pledged as security against certain bank borrowings of the Company (Refer Note: 21)		
iii) Cost of inventory recognised as an expense:		
- Cost of materials consumed	4,752.35	6,092.09
- Consumption of Stores & Spares	217.26	191.10
<b>Total</b>	<b>4,969.61</b>	<b>6,283.19</b>
iv) The quarterly returns or statements comprising (stock statements, book debt statements, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information) filed by the Company with banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.		
<b>11 Trade receivables</b>		
<i>Unsecured</i>		
Trade Receivable Considered good	3,679.70	3,843.07
Less : Provision for Expected Loss (Refer Note No.43 for dues from related parties)	(38.62)	(23.57)
<b>Total</b>	<b>3,641.08</b>	<b>3,819.50</b>

**Note :**

- The Company's exposure to credit and currency risk and loss allowances related to Trade Receivables are disclosed in Note No 41
- Trade Receivables with the above mentioned carrying amount have been pledged as security against bank borrowings of the Company (Refer Note: 21)

Particulars	31.03.2024	31.03.2023
<b>Movement in Expected Credit loss</b>		
Opening Balance	23.57	-
Provision for the year	15.05	23.57
<b>Closing Balance</b>	<b>38.62</b>	<b>23.57</b>

**Term Trade Receivables Ageing Schedule as at 31st March, 2024**

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables - considered good	2,646.28	983.19	24.43	25.80	-	-	3,679.70
ii) Undisputed Trade receivable - which have significant increase in credit risk.	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
v) Disputed Trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>2,646.28</b>	<b>983.19</b>	<b>24.43</b>	<b>25.80</b>	<b>-</b>	<b>-</b>	<b>3,679.70</b>
<b>Allowance for Expected Credit Loss</b>							<b>38.62</b>
<b>Total</b>							<b>3,641.08</b>



## NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

## Term Trade Receivables Ageing Schedule as at 31st March, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables - considered good	2,170.35	1,651.22	21.23	0.27	-	-	3,843.07
ii) Undisputed Trade receivable - which have significant increase in credit risk.	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
v) Disputed Trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>2,170.35</b>	<b>1,651.22</b>	<b>21.23</b>	<b>0.27</b>	<b>-</b>	<b>-</b>	<b>3,843.07</b>
<b>Allowance for Expected Credit Loss</b>							<b>23.57</b>
<b>Total</b>							<b>3,819.50</b>

**NOTES TO THE FINANCIAL STATEMENTS:**

(₹ in lakhs)

Particulars	31.03.2024	31.03.2023
<b>12 Cash and cash equivalents</b>		
Balances with banks		
- In Current accounts	180.32	159.14
Cash on hand	0.17	0.29
<b>Total</b>	<b>180.49</b>	<b>159.43</b>
<b>13 Bank balances other than above</b>		
Earmarked Balances		
- In Unpaid Dividend Account	17.13	18.20
- In Margin Money Account	32.25	30.50
Others		
In Fixed Deposit ( with original maturity period of more than 3 months and less than 12 months)	2,026.68	1,995.28
<b>Total</b>	<b>2,076.06</b>	<b>2,043.98</b>
<b>Notes:</b>		
Margin Money with banks is towards of Bank Guarantee and Letter of Credit		
<b>14 Other Financial assets</b>		
Export Incentive Receivable	56.98	25.89
Interest Receivable	25.87	45.33
Windmill Power Receivable	2.75	-
<b>Total</b>	<b>85.60</b>	<b>71.22</b>
<b>15 Other current assets</b>		
Advances for Expenses	17.76	11.35
Advance to Suppliers	0.85	39.91
Employee Advances	0.36	0.52
Other Advances	1.20	1.20
Prepaid expenses	54.22	77.11
Gratuity asset	25.43	1.66
Receivable from statutory authorities	69.96	56.27
Input tax credit	115.73	184.34
<b>Total</b>	<b>285.51</b>	<b>372.36</b>

## NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

## 16 Equity share capital

Particulars	31.03.2024		31.03.2023	
	No. of shares	Amount	No. of shares	Amount
Authorized Share Capital				
Equity shares of ₹10/- each	50,00,000	500.00	50,00,000	500.00
	50,00,000	<b>500.00</b>	50,00,000	<b>500.00</b>
Issued and Subscribed Capital				
Equity shares of ₹10/- each fully paid	42,32,104	423.21	42,32,104	423.21
	42,32,104	<b>423.21</b>	42,32,104	<b>423.21</b>

## As at 31st March, 2024 - Shares held by Promoters &amp; Promoters Group at the end of the year

S. No	Name of the Promoter	No. of Shares	% of Total Shares	% Change during the year
1	N Krishna Samaraj (HUF)	7,70,000	18.19%	0.00%
2	Muthulakshmi N	4,52,091	10.68%	0.00%
3	Ajeya Vel Narayanaswamy	3,63,000	8.58%	0.00%
4	Nivedita Lakshmi Narayanaswamy	2,30,000	5.43%	0.00%
5	Ranganayaki N	2,25,000	5.32%	0.00%
6	Krishna Samaraj N	86,130	2.04%	0.00%
7	Mahitha Vijayakumar	77,855	1.84%	0.00%
8	Vijayakumar Venkatkumar	45,000	1.06%	0.00%
9	Janardhana Naidu Vijayakumar	10,100	0.24%	0.00%
10	Aditya Vijayakumar	-	-	-

## As at 31st March, 2023 - Shares held by Promoters &amp; Promoters Group at the end of the year

S. No	Name of the Promoter	No. of Shares	% of Total Shares	% Change during the year
1	N Krishna Samaraj (HUF)	7,70,000	18.19%	0.00%
2	Muthulakshmi N	4,52,091	10.68%	(31.41%)
3	Ajeya Vel Narayanaswamy	3,63,000	8.58%	109.83%
4	Nivedita Lakshmi Narayanaswamy	2,30,000	5.43%	0.00%
5	Ranganayaki N	2,25,000	5.32%	8.17%
6	Krishna Samaraj N	86,130	2.04%	0.00%
7	Mahitha Vijayakumar	77,855	1.84%	0.00%
8	Vijayakumar Venkatkumar	45,000	1.06%	0.00%
9	Janardhana Naidu Vijayakumar	10,100	0.24%	0.00%
10	Aditya Vijayakumar	-	-	-

**Note:** The percentage change has been computed with respect to the number of shares held by Promoter and Promoter group at the beginning of the year

\*Promoter here means Promoter as defined in the Companies Act, 2013.

## a. Terms and rights attached to equity shares

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

**b. Reconciliation of shares outstanding at the beginning and at the end of the period**

Particulars	31.03.2024		31.03.2023	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	42,32,104	423.21	42,32,104	423.21
Shares Issued / bought back during the year	-	-	-	-
Shares outstanding at the end of the year	42,32,104	423.21	42,32,104	423.21

**c. Details of Shareholders holding more than 5% shares in the Company**

Name of the Shareholder	31.03.2024		31.03.2023	
	No. of Shares	% holding in class of shares	No. of Shares	% holding in class of shares
<i>Equity shares with voting rights</i>				
N Krishna Samaraj (HUF)	7,70,000	18.19%	7,70,000	18.19%
Muthulakshmi N	4,52,091	10.68%	4,52,091	10.68%
Ajeya Vel Narayanawamy	3,63,000	8.58%	3,63,000	8.58%
Nivedita Lakshmi Narayanaswamy	2,30,000	5.43%	2,30,000	5.43%
Ranganayaki N	2,25,000	5.32%	2,25,000	5.32%

**d. Details of shares held by Holding Company:**

There are no shares held by Holding Company/Subsidiaries of ultimate Holding Company.

**e. Details of shares issued for consideration other than cash in the immediately preceding five years:**

There are no shares issued for consideration other than cash.

**f. Details of share allotted by way of Bonus shares or any buy back in the immediately preceding five years:**

In terms of Board Resolution dt.,18th September, 2020 the Company bought back 3,50,096 equity shares of Rs.10 each at a price of Rs. 175 per share from the eligible shareholders on the record date 01.10.2020 fixed for the purpose aggregating to 7.64% of the paid up capital.

As required under Section 69 read with Section 68 of the Companies Act, 2013 an amount of Rs. 35.01 lakhs has been transferred to Capital Redemption Reserve from the surplus in Profit & Loss A/c / General Reserve in Financial Year 2020-21. The aggregate expenses incurred for the Buy-Back was Rs. 44.77 lakhs. This amount is written off under Other Expenses during the Financial year 2020-21.

Particulars	31.03.2024	31.03.2023
<b>17 Other Equity</b>		
<b>General Reserve</b>		
Opening balance	4,000.00	3,800.00
Add: Addition during the year	200.00	200.00
	(A) <u>4,200.00</u>	<u>4,000.00</u>
<b>Capital Redemption Reserve</b>		
Opening balance	35.01	35.01
Add: Addition during the year	-	-
	(B) <u>35.01</u>	<u>35.01</u>

## NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2024	31.03.2023
<b>Surplus in the Statement of Profit &amp; Loss</b>		
Opening balance	4,961.80	3,555.37
Add: Profit/(Loss) for the year	1,510.92	1,712.23
Less: Appropriation to General Reserve	(200.00)	(200.00)
Less: Dividends	(126.96)	(105.80)
	(C)	
	<b>6,145.76</b>	<b>4,961.80</b>
<b>Other Comprehensive Income</b>		
Opening balance	16.04	17.60
Add: Addition during the year	17.84	(1.56)
	(D)	
	<b>33.88</b>	<b>16.04</b>
<b>Total (A+B+C+D)</b>	<b>10,414.65</b>	<b>9,012.85</b>
<b>18 Lease Liabilities</b>		
Lease Liabilities	-	8.09
<b>Total</b>	<b>-</b>	<b>8.09</b>
<b>19 Provisions</b>		
Provision for Leave Encashment (Refer Note :39)	26.83	33.02
<b>Total</b>	<b>26.83</b>	<b>33.02</b>
<b>20 Deferred Tax Liabilities (Net)</b>		
<b>Deferred tax liability</b>		
On Property, Plant and Equipment	187.30	171.84
	(A)	
	<b>187.30</b>	<b>171.84</b>
<b>Deferred tax asset</b>		
On expenses allowable against taxable income in future years	11.32	11.32
	(B)	
	<b>11.32</b>	<b>11.32</b>
<b>Deferred Tax Liabilities (Net)</b>	(A-B)	
	<b>175.98</b>	<b>160.52</b>

**Statement of changes in Deferred Tax Assets/ Liabilities**

Particulars	31.03.2024			
	As at 1st April, 2023	Recognized in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at 31st March, 2024
<b>Deferred tax liability (A)</b>				
On Property, Plant and Equipment	171.84	9.46	-	181.30
On Employee benefit expense	-	-	6.00	6.00
	<b>171.84</b>	<b>9.46</b>	<b>6.00</b>	<b>187.30</b>
<b>Deferred tax asset (B)</b>				
On expenses allowable against taxable income in future years	11.32	-	-	11.32
	<b>11.32</b>	<b>-</b>	<b>-</b>	<b>11.32</b>
<b>Total (A-B)</b>	<b>160.52</b>	<b>9.46</b>	<b>6.00</b>	<b>175.98</b>

Particulars	31.03.2023			
	As at 1st April, 2022	Recognized in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at 31st March, 2023
<b>Deferred tax liability (A)</b>				
On Property, Plant and Equipment	218.90	(47.06)	-	171.84
	<b>218.90</b>	<b>(47.06)</b>	<b>-</b>	<b>171.84</b>
<b>Deferred tax asset (B)</b>				
On expenses allowable against taxable income in future years	10.80	-	0.52	11.32
	<b>10.80</b>	<b>-</b>	<b>0.52</b>	<b>11.32</b>
<b>Total (A-B)</b>	<b>208.10</b>	<b>(47.06)</b>	<b>(0.52)</b>	<b>160.52</b>

**NOTES TO THE FINANCIAL STATEMENTS:**

Particulars	31.03.2024	31.03.2023
<b>21 Borrowings</b>		
<i>Secured Loans</i>		
<i>Loans repayable on demand</i>		
From banks		
- Cash Credit	-	-
- Bill Discounting	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

**Note :**

Working Capital Facilities from Axis Bank Limited and Union Bank of India Limited are secured by pari-passu first charge on the current assets and unencumbered fixed assets of the company.

Working Capital Facilities are further secured by pari-passu first charge on the specific immovable properties situated at S. No. 34, 35/1 Part, 36/4 Part of Mullupadi Village, Thamaraikulam, Pollachi, Coimbatore District, Tamilnadu. Exclusive charge to Union Bank of India on land situated at S.F.No.149 A3, Ganapathipalayam Village, Udumalpet, Tiruppur and S.F.No. 409/3, Kottathurai Village, Keeranur, Palani. Working Capital Facilities from Banks are repayable on demand and carries interest rates as follows:

Axis Bank- REPO+ 4%; UBI- EBLR+3.25%

In respect of borrowings made during the year, the charge on the assets given as security to the lender have been created on time in compliance of the regulatory requirements

**22 Lease Liabilities**

Lease Liabilities	9.20	7.12
<b>Total</b>	<u>9.20</u>	<u>7.12</u>

**23 Trade Payables**

Total Outstanding dues of Micro Enterprises and Small Enterprises	220.97	271.87
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	590.86	978.18
<b>Total</b>	<u>811.83</u>	<u>1,250.05</u>

**Ageing of Trade Payables as at 31.03.2024**

Particulars	Less than 1 year	1 year- 2 years	2 years- 3 years	More than 3 years	Total
Micro Enterprises and Small Enterprises	220.97	-	-	-	220.97
Others	590.86	-	-	-	590.86
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<u>811.83</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>811.83</u>

**Ageing of Trade Payables as at 31.03.2023**

Particulars	Less than 1 year	1 year- 2 years	2 years- 3 years	More than 3 years	Total
Micro Enterprises and Small Enterprises	271.87	-	-	-	271.87
Others	933.50	44.68	-	-	978.18
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>1,205.37</b>	<b>44.68</b>	<b>-</b>	<b>-</b>	<b>1,250.05</b>

Particulars	<b>31.03.2024</b>	<b>31.03.2023</b>
<b>24 Other Financial Liabilities</b>		
Unpaid Dividend	17.13	18.20
Employee Benefits payable	306.49	216.90
Retention Money Payable	24.24	20.02
Creditors for Capital Assets	42.55	158.79
Creditors for Expenses*	441.70	389.69
Other Payables & Accruals	82.59	94.78
<b>Total</b>	<b>914.70</b>	<b>898.38</b>
* Creditors for Expenses include Payable to related party refer Note : 43		
<b>25 Provisions</b>		
Provision for Leave Encashment	4.84	6.00
<b>Total</b>	<b>4.84</b>	<b>6.00</b>
<b>26 Other Current Liabilities</b>		
Statutory Dues Payable	30.75	36.16
Advance From Customers	0.51	0.34
<b>Total</b>	<b>31.26</b>	<b>36.50</b>
<b>27 Current Tax Liabilities (Net)</b>		
Current tax Liability (Net)	87.50	67.12
Add: Current tax payable for the year	526.10	646.58
Less: Taxes paid	583.17	626.20
<b>Total</b>	<b>30.43</b>	<b>87.50</b>



## NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2024	31.03.2023
<b>28 Revenue from Operations</b>		
Sale of Products	14,043.54	16,031.52
(A)	<b>14,043.54</b>	<b>16,031.52</b>
Other operating revenue		
Export Incentives	161.26	135.89
Foreign Exchange gain (Net)	99.50	220.66
Scrap Sales	65.48	76.22
(B)	<b>326.24</b>	<b>432.77</b>
<b>Total (A+B)</b>	<b>14,369.78</b>	<b>16,464.29</b>
<b>Details of product sold:</b>		
<b>Export Sales:</b>		
Sale of Castings	6,376.07	7,509.02
Sale of Patterns and Tools	239.77	137.07
(A)	<b>6,615.84</b>	<b>7,646.09</b>
<b>Domestic Sales:</b>		
Sale of Castings	7,302.47	8,130.26
Sale of Patterns and Tools	125.23	255.17
(B)	<b>7,427.70</b>	<b>8,385.43</b>
<b>Total (A+B)</b>	<b>14,043.54</b>	<b>16,031.52</b>
<b>29 Other Income</b>		
Interest Receipts	135.09	101.00
Profit on Sale of Fixed Assets	1.22	170.81
Profit on Sale of Land	-	35.18
Lease Rental Receipts	21.00	21.00
Miscellaneous Income	2.27	1.35
<b>Total</b>	<b>159.58</b>	<b>329.34</b>
<b>30 Cost of Materials Consumed</b>		
Opening stock	254.75	435.76
Add: Purchases (including Imported)	4,770.45	5,911.08
	<b>5,025.20</b>	<b>6,346.84</b>
Less: Closing stock	272.85	254.75
<b>Cost of Materials Consumed</b>	<b>4,752.35</b>	<b>6,092.09</b>

**NOTES TO THE FINANCIAL STATEMENTS:**

(₹ in lakhs)

Particulars	31.03.2024	31.03.2023
<b>31 Changes in inventories of Finished Goods and Work in progress</b>		
<b>Closing Stock of Inventory</b>		
Work-in-progress	371.74	291.93
Finished goods	128.84	95.40
	<b>500.58</b>	<b>387.33</b>
<b>Opening Stock of Inventory</b>		
Work-in-progress	291.93	322.83
Finished goods	95.40	109.52
	<b>387.33</b>	<b>432.35</b>
<b>Net (Increase) / Decrease in inventories of finished goods and Work in progress</b>	<b>(113.25)</b>	<b>45.02</b>
<b>32 Manufacturing Expenses</b>		
Machining Charges	1,892.70	2,149.88
Power and Utilities (Net)	1,007.75	1,111.50
Processing Charges	785.71	888.25
Pattern Making Charges	192.94	210.94
<b>Total</b>	<b>3,879.10</b>	<b>4,360.57</b>
<b>33 Employee Benefits Expense</b>		
Salaries, Wages and Bonus	1,646.05	1,445.66
Contributions to provident and other funds	82.81	80.33
Staff Welfare Expenses	111.74	126.00
<b>Total</b>	<b>1,840.60</b>	<b>1,651.99</b>
<b>34 Finance Costs</b>		
Interest on Borrowings (Net)	1.37	3.35
Interest on lease obligations	1.72	4.98
Bill Discounting Charges	-	3.02
Interest on Income Tax	4.87	5.82
Other Borrowing Costs	12.07	17.25
<b>Total</b>	<b>20.03</b>	<b>34.42</b>

## NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2024	31.03.2023
<b>35 Depreciation and Amortization Expenses</b>		
Depreciation of Property, Plant & Equipment (Refer Note: 2)	419.80	537.38
Depreciation of Investment property (Refer Note: 5)	8.40	7.71
Amortisation of Intangible Asset (Refer Note:6)	1.83	0.84
Amortisation of Right of Use Asset (Refer Note: 3)	6.37	4.44
<b>Total</b>	<b>436.40</b>	<b>550.37</b>
<b>36 Other Expenses</b>		
<u>Repairs and maintenance</u>		
Machinery	405.91	549.40
Building	157.18	85.30
Stores & Spares Consumed	217.26	191.10
Insurance	50.38	39.18
Licence, Rates and Taxes	20.49	14.02
Charity & Donation	2.60	10.25
Bad Debts Written Off	18.16	12.55
Legal & Professional Charges	24.95	40.95
Clearing & Forwarding Charges	40.00	47.69
Packing Material	393.44	411.97
Auditor's Remuneration (Refer Note 36 (a))	13.25	12.35
Corporate Social Responsibility Expenditure (Refer Note 36 (b))	37.19	17.24
Miscellaneous Expenses	292.71	315.42
<b>Total</b>	<b>1,673.52</b>	<b>1,747.42</b>
<b>36 (a) Payment to the Auditors (Exclusive of GST)</b>		
For Audit	10.00	9.00
For Taxation matters	2.00	2.85
For Certification and Others	1.25	0.50
<b>Total</b>	<b>13.25</b>	<b>12.35</b>
<b>36 (b) Corporate Social Responsibility Expenditure</b>		
Opening Gross Amount required to be spent by the Company towards CSR Activities	-	-
Amount required to be spent as per Section 135 of the Act during the year (i)	<b>26.73</b>	<b>17.24</b>
Amount spent through Trusts / Implementing Agencies	10.00	-
Amount spent directly	27.19	17.24
	<b>37.19</b>	<b>17.24</b>

Particulars	31.03.2024	31.03.2023
Amount spent during the year towards		
(i) Construction of an asset	-	-
(ii) On purpose other than (i) above		
1) Contribution to research projects - Science & technology	10.00	
2) Covid Care	24.02	17.24
3) Education	3.17	-
	<b>37.19</b>	<b>17.24</b>
<b>Excess amount spent by the Company towards CSR Activities (ii) less (i)</b>	<b>10.46</b>	<b>-</b>
<b>37 Tax Expense</b>		
<b>(a) Income tax expenses</b>		
<b>Current Tax</b>		
Current tax on profit for the year	526.10	646.58
Adjustments for current tax of prior periods	(5.87)	-
	<b>520.23</b>	<b>646.58</b>
<b>Deferred Tax</b>		
Decrease /(increase) in deferred tax assets	-	-
(Decrease) /increase in deferred tax liabilities	9.46	(47.06)
	<b>9.46</b>	<b>(47.06)</b>
Tax expense recognized in Statement of Profit and Loss		
<b>TOTAL (A+B)</b>	<b>529.69</b>	<b>599.52</b>
Tax expense recognized in Other Comprehensive Income (C)	6.00	(0.52)
<b>Total Tax Expense [A+B+C]</b>	<b>535.69</b>	<b>599.00</b>
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:</b>		
Profit before income tax expense	2,040.61	2,311.75
Tax at the Indian tax rate of 25.168% (2022-2023 – 25.168%)	513.58	581.82
<b><u>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</u></b>		
- On Account of Corporate Social Responsibility expenditure	9.36	6.92
- Adjustments of current tax of prior periods	-	-
- On account of Expected credit loss provision	2.83	5.93
- On account of Lease obligation under INDAS 116	2.04	0.82
- Others	7.88	3.51
Income tax expense	<b>535.69</b>	<b>599.00</b>

## NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

The above workings are provisional computation of tax expenses and are subject to finalisation including that of tax audit.

There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

Particulars	31.03.2024	31.03.2023
<b>38 Earnings Per Share</b>		
Profit after tax attributable to equity share holders (₹)	1,510.92	1,712.23
Total number of equity shares outstanding at balance sheet date (Nos in lakhs)	42.32	42.32
Weighted average number of equity shares outstanding, considered for the purpose of computing EPS (Nos in lakhs)	42.32	42.32
Face value per equity share (₹)	Rs. 10 per Share	Rs. 10 per Share
<b>Basic and diluted earnings per share (₹)</b>	<b>35.70</b>	<b>40.46</b>

**39 Employee Contribution Plan**

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Particulars	2023-24	2022-23
Employer's Contribution to Provident Fund	61.35	59.80

**Employee Benefit Plan:**

The Company has an obligation towards gratuity, a defined benefit obligation. Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, Gratuity is computed by multiplying last drawn salary [Basic salary including Dearness Allowance if any] by completed years of continuous service with part thereof in excess of six months and again by 15/26. Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

The most recent actuarial valuation of the defined benefit obligation was carried out at the balance sheet date. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method. Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

Particulars	31.03.2024	31.03.2023
<b>I. PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]</b>		
Discount Rate	6.97%	7.16%
Rate of increase in compensation levels	7.00%	7.00%
Attrition Rate	10.00%	10.00%
Expected rate of return on Plan Assets	6.97%	7.16%
All amounts are in Lakhs Rupees		
<b>II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO)</b>		
PVO as at the beginning of the period	<b>203.76</b>	<b>186.91</b>
Interest Cost	14.15	12.31
Current service cost	19.10	16.98
Past service cost	-	-
Benefits paid and Charges deducted	(12.17)	(15.08)
Actuarial loss/(gain) on obligation (balancing figure)	(14.35)	2.64
PVO as at the end of the period	<b>210.49</b>	<b>203.76</b>
<b>III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS - RECONCILIATION OF OPENING AND CLOSING BALANCES:</b>		
Fair value of plan assets as at the beginning of the period	<b>205.43</b>	<b>177.73</b>
Expected return on plan assets	15.33	12.69
Contributions	29.43	29.52
Benefits paid and Charges deducted	(12.17)	(15.08)
Actuarial gain/(loss) on plan assets [balancing figure]	(2.07)	0.57
Fair value of plan assets as at the end of the period	<b>235.95</b>	<b>205.43</b>
<b>IV. ACTUAL RETURN ON PLAN ASSETS</b>		
Expected return on plan assets	15.33	12.69
Actuarial gain (loss) on plan assets	(2.07)	0.57
Actual return on plan assets	13.26	13.26
<b>V. ACTUARIAL GAINS AND LOSSES RECOGNIZED</b>		
Actuarial gain (loss) for year - obligation	14.35	(2.64)
Actuarial gain (loss) for year - plan assets	(2.07)	0.57
Subtotal	12.28	(2.07)
Actuarial (gain) / loss recognized	(12.28)	2.07
Unrecognized actuarial gains (losses) at the end of the period	-	-

## NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2024	31.03.2023
<b>VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSES</b>		
Present value of the obligation	210.49	203.76
Fair value of plan assets	235.95	205.43
Amount determined under para 63 of Ind AS19	(25.46)	(1.66)
Net Defined Benefit Liability recognized in the balance sheet	-	-
Present value of future reduction in contribution under para 65 of Ind AS 19	(25.46)	1.66
Net Defined Benefit Asset recognised under para 64 of Ind AS19	<b>(25.46)</b>	<b>1.66</b>
<b>VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:</b>		
Current service cost	19.10	16.98
Net Interest on Net Defined Benefit Obligations	(1.17)	(0.38)
Net actuarial (gain)/loss recognised during the period	-	-
Past service cost	-	-
Expenses recognized in the statement of profit and loss	<b>17.93</b>	<b>16.60</b>
<b>VIII. AMOUNT RECOGNIZED FOR THE CURRENT PERIOD IN THE STATEMENT OF OTHER COMPREHENSIVE INCOME [OCI]</b>		
Actuarial (gain)/loss on Plan Obligations	(14.35)	2.64
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	2.07	(0.57)
Effect of Balance Sheet asset limit		
Amount recognized in OCI for the current period	(12.28)	2.07
<b>IX. MOVEMENTS IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET</b>		
Opening net liability adjusted for effect of balance sheet limit	(1.66)	9.18
Amount recognised in Profit and Loss	17.93	16.60
Amount recognised in OCI	(12.28)	2.08
Contribution paid	(29.43)	(29.52)
Closing net liability	<b>(25.43)</b>	<b>(1.66)</b>

Particulars	31.03.2024	31.03.2023
<b>X. AMOUNT FOR THE CURRENT PERIOD</b>		
Present Value of obligation	210.50	203.77
Plan Assets	235.94	205.43
Surplus (Deficit)	25.43	1.66
Experience adjustments on plan liabilities -(loss)/gain	16.54	(6.08)
Impact of Change in Assumptions on Plan Liabilities-(loss)/gain	(2.20)	3.44
Experience adjustments on plan assets -(loss)/gain	(2.07)	0.57
<b>(ii) Compensated absences</b>		
<b>I. PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]</b>		
Discount Rate	6.97%	7.16%
Rate of increase in compensation levels	7.00%	7.00%
Attrition Rate	10.00%	10.00%
Expected rate of return on Plan Assets	0.00%	0.00%
<b>II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO)</b>		
PVO as at the beginning of the period	39.03	34.03
Interest Cost	2.61	2.21
Current service cost	6.70	5.87
Past service cost	-	-
Benefits paid	(5.11)	(3.55)
Actuarial loss/(gain) on obligation (balancing figure)	(11.56)	0.47
PVO as at the end of the period	31.67	39.03
<b>III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS - RECONCILIATION OF OPENING AND CLOSING BALANCES:</b>		
Fair value of plan assets as at the beginning of the period	-	-
Expected return on plan assets	-	-
Contributions	5.11	3.55
Benefits paid	(5.11)	(3.55)
Actuarial gain/(loss) on plan assets [balancing figure]	-	-
Fair value of plan assets as at the end of the period	-	-



## NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2024	31.03.2022
<b>IV. ACTUAL RETURN ON PLAN ASSETS</b>		
Expected return on plan assets	-	-
Actuarial gain (loss) on plan assets	-	-
Actual return on plan assets	-	-
<b>V. ACTUARIAL GAINS AND LOSSES RECOGNIZED</b>		
Actuarial gain (loss) for year - obligation	11.56	(0.47)
Actuarial gain (loss) for year - plan assets	-	-
Subtotal	11.56	(0.47)
Actuarial (gain) / loss recognized	(11.56)	0.47
Unrecognized actuarial gains (losses) at the end of the period	-	-
<b>VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSES</b>		
Present value of the obligation	31.68	39.04
Fair value of plan assets	-	-
Difference	31.68	39.04
Liability recognized in the balance sheet	31.68	39.04
<b>VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:</b>		
Current service cost	6.70	5.87
Interest on obligation	2.61	2.21
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised during the period	(11.56)	0.47
Past service cost	-	-
Expenses recognized in the statement of profit and loss	(2.25)	8.55
<b>VIII. MOVEMENTS IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET</b>		
Opening net liability	39.04	34.03
Expense as above	(2.25)	8.56
Contribution paid	(5.11)	(3.55)
Closing net liability	31.68	39.04
<b>IX. AMOUNT FOR THE CURRENT PERIOD</b>		
Present Value of obligation	31.68	39.04
Plan Assets	-	-
Surplus (Deficit)	(31.68)	(39.04)
Experience adjustments on plan liabilities - (loss)/gain	11.55	(1.55)
Impact of change in assumptions on plan liabilities - (loss) / gain	0.01	0.68
Experience adjustments on plan assets - (loss)/gain	-	-

**40 Fair Value measurements****i. Financial instruments by category**

The carrying value of financial instruments by categories as at 31st March, 2024 were as follows:

Particulars	Note No.	FVTPL	FVTOCI	Cost / Amortised cost	Total Carrying value	Total Fair value
<b>Financial assets</b>						
Investments	7	-	144.00	-	144.00	144.00
Trade receivables	11	-	-	3,641.08	3,641.08	3,641.08
Cash and cash equivalents	12	-	-	180.49	180.49	180.49
Other bank balances	13	-	-	2,076.06	2,076.06	2,076.06
Other Financial assets	8 & 14	-	-	309.17	309.17	309.17
<b>Financial Liabilities</b>						
Borrowings & lease liabilities	18,21 & 22	-	-	9.20	9.20	9.20
Trade payables	23	-	-	811.83	811.83	811.83
Other financial liabilities	24	-	-	914.70	914.70	914.70

The carrying value of financial instruments by categories as at 31st March, 2023 were as follows:

Particulars	Note No.	FVTPL	FVTOCI	Cost / Amortised cost	Total Carrying value	Total Fair value
<b>Financial assets</b>						
Investments	7	-	144.00	-	144.00	144.00
Trade receivables	11	-	-	3,819.50	3,819.50	3,819.50
Cash and cash equivalents	12	-	-	159.43	159.43	159.43
Other bank balances	13	-	-	2,043.98	2,043.98	2,043.98
Other Financial assets	8 & 14	-	-	295.34	295.34	295.34
<b>Financial Liabilities</b>						
Borrowings & lease liabilities	18,21 & 22	-	-	15.21	15.21	15.21
Trade payables	23	-	-	1,250.05	1,250.05	1,250.05
Other financial liabilities	24	-	-	898.38	898.38	898.38

- ii. The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments. 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 TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

## (iii) Fair value hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three levels of a fair value hierarchy.

The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability

Given below are the fair values based on their hierarchy.

Particulars	Carrying Amount as on 31.03.2024	As at 31.03.2024			Carrying Amount as on 31.03.2023	As at 31.03.2023		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial Assets measured at Fair value through Other Comprehensive Income</b>								
Equity Instruments	144.00	-	-	144.00	144.00	-	-	144.00
<b>Financial Assets not measured at Fair value*</b>								
Trade receivables	3,641.08	-	-	-	3,819.50	-	-	-
Cash and cash equivalents	180.49	-	-	-	159.43	-	-	-
Other bank balances	2,076.06	-	-	-	2,043.98	-	-	-
Other Financial assets	309.17	-	-	-	295.34	-	-	-
<b>Financial Liabilities measured at fair value</b>								
Borrowings and Lease Liabilities	9.20	-	-	9.20	15.21	-	-	15.21
<b>Financial Liabilities not measured at fair value*</b>								
Trade payables	811.83	-	-	-	1,250.05	-	-	-
Other financial liabilities	914.70	-	-	-	898.38	-	-	-

\* The Company has not disclosed the fair values for short term / current financial instruments (such as short term trade receivables, short term trade payables, Current Loans and Short term borrowings etc), because their carrying amounts are a reasonable approximation of Fair value.

## iv. Measurement of fair values :

The basis of measurement in respect of each class of financial assets and liabilities are disclosed in point no. (iv) "Significant Accounting Judgements, Estimates And Assumptions" in Other Accounting Policy.

## 41 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis, Credit ratings
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts
Market risk – Interest rate risk	Borrowings at variable rates	Cash flow forecasting, Sensitivity analysis
Market risk – Financial Currency Risk	Adverse movements in the exchange rate between the Rupee and any relevant foreign currency	Internal Foreign Currency Exposure and risk management policy

### a. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

### Credit risk management

#### Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

Assets Group	Description of category	Provision for expected credit loss *
Low credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	12 month expected credit loss/life time expected credit loss
Moderate credit risk	Assets where the probability of default is considered moderate, counter-party where the capacity to meet the obligations is not strong	12 month expected credit loss/life time expected credit loss
High credit risk	Assets where there is a high probability of default.	12 month expected credit loss/life time expected credit loss/fully provided for

\* An impairment analysis is performed at each reporting date on an individual basis for major clients. Any recoverability of receivables is provided for based on the impairment assessment. Historical trends showed as at 31st March, 2024 and 31st March, 2023 the Company had no significant credit risk.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

**NOTES TO THE FINANCIAL STATEMENTS:**

(₹ in lakhs)

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Any subsequent recoveries made are recognised in statement of profit and loss.

**Classification of Financial assets among risk categories:****As at 31st March, 2024**

<i>Credit rating</i>	<i>Particulars</i>	<i>Gross Carrying Amount</i>	<i>Provision</i>	<i>Carrying Amount net of Provision</i>
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	6,021.86	(38.62)	5,983.24
Moderate credit risk	Nil	-	-	-
High credit risk	Nil	-	-	-

**As at 31st March, 2023**

<i>Credit rating</i>	<i>Particulars</i>	<i>Gross Carrying Amount</i>	<i>Provision</i>	<i>Carrying Amount net of Provision</i>
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	6,117.71	(23.57)	6,094.14
Moderate credit risk	Nil	-	-	-
High credit risk	Nil	-	-	-

**b. Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**Maturities of financial liabilities:**

<i>31st March, 2024</i>	<i>On Demand</i>	<i>Less than 1 year</i>	<i>1-5 years</i>	<i>More than 5 years</i>	<i>Total</i>
Borrowings & lease liabilities	-	9.20	-	-	9.20
Trade payables	-	811.83	-	-	811.83
Other financial liabilities excluding Current Maturities of Long Term Debt	-	914.70	-	-	914.70
<b>Total</b>	-	<b>1,735.73</b>	-	-	<b>1,735.73</b>

**NOTES TO THE FINANCIAL STATEMENTS:**

(₹ in lakhs)

31st March, 2023	On Demand	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings & lease liabilities	-	7.12	8.09	-	15.21
Trade payables	-	1,250.05	-	-	1,250.05
Other financial liabilities excluding Current Maturities of Long Term Debt	-	898.38	-	-	898.38
<b>Total</b>	<b>-</b>	<b>2,155.55</b>	<b>8.09</b>	<b>-</b>	<b>2,163.64</b>

**c. Interest rate risk**

The Company's variable rate borrowings are subject to interest rate risk. Below is the overall exposure of the borrowings:

**Interest rate risk exposure**

Particulars	31.03.2024	31.03.2023
<i>Floating Rate</i>		
Expiring within one year (Cash Credit & Bills Discounting)	2,000.00	2,000.00
<b>Total</b>	<b>2,000.00</b>	<b>2,000.00</b>

The bank cash credit facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR and have an average maturity of 1 year.

**d. Financial Currency Risk**

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency results in increase in the Company's overall debt position in Rupee terms without the Company having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency. In order to hedge exchange rate risk, the Company has a policy to hedge cash flows (either using natural hedge or an artificial hedge) upto a specific tenure using forward exchange contracts and hedges based on their Internal Foreign Currency Exposure and risk management policy as approved by the management and in accordance with the applicable regulations where the Company operates.

The carrying amounts of the Company's monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Amount in Foreign currency as at 31st March 2024		
	EUR	USD	GBP
Financial Assets	1.55	24.00	0.34
Financial Liabilities	-	-	-

Particulars	Amount in Foreign currency as at 31st March 2023		
	EUR	USD	GBP
Financial Assets	1.62	21.94	0.36
Financial Liabilities	-	0.54	-

## NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

The following table details the Company's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies net of hedge accounting impact. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 5% against the relevant currency. For a 5% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

**Impact on Profit / (loss) for the year for a 5% change:**

<i>USD Sensitivity</i>	<i>31st March, 2024</i>	<i>31st March, 2023</i>
INR/USD Increases by 5%	99.65	91.81
INR/USD Decreases by 5%	(99.65)	(91.81)
<i>EUR Sensitivity</i>	<i>31st March, 2024</i>	<i>31st March, 2023</i>
INR/EUR Increases by 5%	6.95	7.41
INR/EUR Decreases by 5%	(6.95)	(7.41)
<i>GBP Sensitivity</i>	<i>31st March, 2024</i>	<i>31st March, 2023</i>
INR/GBP Increases by 5%	1.80	1.88
INR/GBP Decreases by 5%	(1.80)	(1.88)

\* Holding all other variables constant

**42 Capital management****(a) Risk management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

<b>Particulars</b>	<b>31.03.2024</b>	<b>31.03.2023</b>
Borrowings (long-term and short-term, including current maturities of long term borrowings)	-	-
Less: Cash and cash equivalents	180.49	159.43
Less: Other Bank Balances (Balances with maturity more than 3 months)	2,076.06	2,043.98
Less: Margin Money against Borrowings	-	-
<b>Net Debt / (Surplus) (A)</b>	<b>(2,256.55)</b>	<b>(2,203.41)</b>
Equity Share Capital	423.21	423.21
Other Equity	10,414.65	9,012.85
<b>Total Equity (B)</b>	<b>10,837.86</b>	<b>9,436.06</b>
<b>Net Debt to Equity Ratio (A) / (B) X 100</b>	<b>-</b>	<b>-</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

**NOTES TO THE FINANCIAL STATEMENTS:**

(₹ in lakhs)

**(b) Dividends**

In respect of the year ended 31st March 2024, the Directors propose that a dividend of Rs. 5.00/- per share (50% of face value) be paid on fully paid Equity Shares. The Equity Dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is Rs. 211.61 Lakhs

**43 Related Party Disclosures:****A. Related Party Relationships:**

- |   |   |
|---|---|
| 1.Key Management Personnel              | <ol style="list-style-type: none"> <li>1. Sri. N. Krishna Samaraj - Managing Director</li> <li>2. Sri K Gnanasekaran - Independent Director</li> <li>3. Dr. R Nandini - Independent Director</li> <li>4. Dr. Jairam Varadaraj - Independent Director</li> <li>5. Sri. G.D. Rajkumar - Independent Director</li> <li>6. Sri. J.Vijayakumar - Non - Independent Director</li> <li>7. Smt.Vijayalakshmi Narendra - Independent director</li> <li>8. Sri. Ajeya Vel Narayanaswamy - Non-Independent Director</li> <li>9. Sri. M. Malmarugan - Executive Director</li> <li>10. Sri R Ravi - Chief Financial Officer</li> <li>11. Smt Sangeetha C - Company Secretary - Date of cessation 01-11-2023</li> <li>12. Ms. Divya D - Company Secretary - Date of appointment 01-11-2023</li> </ol> |
| 2.Relatives of Key Management Personnel | <ol style="list-style-type: none"> <li>1. Smt. N. Muthulakshmi - Mother</li> </ol>  |
| 3.Other Related Parties                 | <ol style="list-style-type: none"> <li>1. Samrajyaa and Company</li> <li>2. Magna Digatech India LLP (erstwhile Magna Digatech India Private Limited)</li> <li>3. Elgi Equipments Limited</li> <li>4. Elgi Rubber Company Limited</li> </ol>  |

**B.Transactions with Related Parties:**

(₹ in lakhs)

Particulars	31.03.2024	31.03.2023
Managerial Remuneration to Directors	176.65	139.03
Managerial Remuneration to KMP (CFO & Company Secretary)	52.37	51.55
Reimbursement to Directors	1.79	6.41
Sitting Fees	12.70	11.60
<b>Smt.N.Muthulakshmi</b>		
Rent & Amenities	9.84	8.24
<b>Samrajyaa And Company</b>		
Machining Charges Paid	1,191.64	1,278.06
Rent Received	21.00	21.00
Reimbursements Paid	-	-
Reimbursements Received	0.02	0.81



## NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2024	31.03.2023
<b>Magna Digitech India LLP</b>		
Data Conversion Charges Paid	8.60	14.64
Machining Charges	-	1.96
Purchase of Castings	20.02	1.84
Purchase of Cores	22.38	25.37
Purchase - Others	0.35	-
Sale of Castings	68.67	-
Sale of Patterns	17.85	16.02
Sale of Metallics	-	54.50
Sale of other items	1.45	0.12
Reimbursements Received	2.77	1.47
<b>Elgi Rubber Company Limited</b>		
Service Charges	0.06	0.18

Outstandings	31.03.2024	31.03.2023
<i>Other Current Financial Liabilities</i>		
Sri. N.Krishna Samaraj	5.28	2.96
Sri. K Gnanasekaran	-	0.18
Dr. R Nandini	-	0.18
Sri. M. Malarugan	3.33	3.20
Sri. J.Vijayakumar	-	0.18
Smt. N.Muthulakshmi	0.77	0.77
Samrajyaa And Company	118.02	77.61
<i>Receivables</i>		
Magna Digitech India LLP	12.91	8.70

**44 Expenditure in Foreign Currency**

Travelling expenses	37.63	19.94
Selling expenses	-	-
Miscellaneous expenses	67.07	6.03
	<u>104.70</u>	<u>25.97</u>

**45 Earning in Foreign Currency**

Export Sales	6,376.07	7,509.02
Sales of Patterns	239.77	137.07
	<u>6,615.84</u>	<u>7,646.09</u>

**NOTES TO THE FINANCIAL STATEMENTS:**

(₹ in lakhs)

Particulars	31.03.2024	31.03.2023
<b>46 Value of Imports Calculated on C.I.F basis</b>		
Raw Materials	58.95	106.22
Components and Spare Parts	40.83	51.18
Capital goods	71.34	71.28
Advance for Capital goods	140.92	-
	<b>312.04</b>	<b>228.68</b>
<b>47 Import purchase</b>		
Raw Materials	58.95	106.22
Spare Parts	-	51.18
Capital goods	71.34	-
	<b>130.29</b>	<b>157.40</b>
<b>48 Indigenous purchase</b>		
Raw Materials	4,711.50	5,804.86
Spare Parts	586.64	681.04
	<b>5,298.14</b>	<b>6,485.90</b>
49 Power & Fuel is net off Wind Power and Solar Power of Rs. 741.57 Lakhs (Previous year - Rs. 479.54 Lakhs) representing units supplied to the grid against which equivalent consumption was made in-house.		
50 Disclosure relating to Suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006. The disclosure in respect of the amounts payable to such enterprises as at the end of the year has been made in the financial statements based on information received and available with the Company.		
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	220.97	271.87
Interest due on above	-	-
<b>Total</b>	<b>220.97</b>	<b>271.87</b>
The amount of interest paid by the buyer in terms of Section 16 of MSMED Act, 2006 along with the amounts of payment made to the supplier beyond appointed day	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
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 for the purpose of disallowance as a deductible under Section 23 of the MSMED Act, 2006	Nil	Nil

## NOTES TO THE FINANCIAL STATEMENTS:

## 51 Key Ratios

Ratio	Method of calculation	As at 31.03.2024	As at 31.03.2023	Difference	Remarks
Current Ratio	Current Assets/ Current Liabilities	4.07	3.24	25.62%	Reduction in trade payables
Debt Equity Ratio	Borrowings/ Equity	0.001	0.002	-50.00%	Lease term ends on 31-03-2025. Hence the lease liability has also reduced.
Debt service coverage Ratio	Net operating income/ (Interest + Repayments+ Lease Payments)	83.60	67.89	23.14%	NA
Return on Equity Ratio	Profit after tax / (Share Capital + Other Equity)	13.94%	18.15%	-23.20%	NA
Inventory turnover ratio	Revenue From Operation/ Average Inventory	14.30	15.79	-9.44%	NA
Trade Receivables turnover ratio	Revenue From Operations / Average Trade Receivables	3.85	4.26	-9.62%	NA
Trade payables turnover ratio	Credit Purchase / Average Trade Payables	4.63	4.82	-3.94%	NA
Net capital turnover ratio	Revenue From Operations / Working Capital	2.59	3.22	-19.57%	NA
Net profit ratio	Profit for the year after tax / Revenue From Operations	10.51%	10.40%	1.06%	NA
Return on Capital Employed	Earnings Before Interest and Tax / Capital Employed (1)	19.01%	24.86%	-23.53%	NA

(1) Capital Employed = Equity Share Capital + Other Equity

**NOTES TO THE FINANCIAL STATEMENTS:**

(₹ in lakhs)

Particulars	31.03.2024	31.03.2023
<b>52 Contingent Liabilities and Commitments</b> (to the extent not provided for)		
<b>i) Contingent Liabilities</b>		
On Account of Pending Litigations(Excluding Interest)	40.70	40.70
<b>ii) Commitments</b>		
On Account of Capital Expenditure	2,783.37	76.00
<b>53 Leasing arrangements</b>		
The Company holds one property on lease for operating purposes and the future minimum lease payments are as under:		
a) Not later than one year	9.20	7.12
b) Later than one year and not later than five years	-	8.09
c) Later than five years	-	-
d) Lease payments recognised in the statement of profit and loss	1.72	4.98
<b>54 Relationship with Struck off companies:</b>		
The company does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.		
<b>55 Utilisation of Borrowed Funds and Share Premium:</b>		
(a) The company has not advanced or loaned or invested any fund, which are material either individually or in aggregate (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;		
(b) The company has not received any fund, which are material either individually or in aggregate, from any person or entity, including foreign entities ("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 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;		
<b>56 Details of Crypto Currency or Virtual Currency:</b>		
The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.		
<b>57 Title Deeds of Immovable Properties:</b>		
All the immovable properties are held in the name of the company.		

**NOTES TO THE FINANCIAL STATEMENTS:****58 Details of Benami property:**

No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) (45 of 1988) and the rules made thereunder.

**59 Compliance with number of layers of companies:**

The Company is not a holding company of any company and hence the provisions of this rule is not applicable to it.

**60 Undisclosed Income:**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**61 Revaluation of Property, Plant and Equipment and Intangible Assets:**

The Company has not revalued its property, plant and equipment (including Right of Use Assets) or intangible assets or both during the current or previous year.

**62 Loans to Related Parties and others:**

The Company had not granted any loans or advances in the nature of loans to promoters, directors, KMP's and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person that:

- a) are repayable on demand or
- b) without specifying any terms or period of repayment.

**63 Wilful Defaulter:**

The Company had not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

**64 Registration of Charges or Satisfaction with Registrar of Companies (ROC):**

The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

**65 Income tax assessment has been completed upto the Assessment year 2023-24.****66**

SI.No. 60 The VAT refund of Rs . 43,97,047 in respect of F.Y. 2013-14 and 2014-15 was due, but not accepted by Asst. Commissioner (CT), P.N.Palayam Circle, Coimbatore. The Company has filed a writ petition with Hon'ble High Court of Judicature, Madras (Numbered W.P. 11695 and 11698 of 2022). High Court disposed off the writ on 29-06-2022 in favour of the company. Consequent upon Hon'ble High Court of Judicature, Madras order dated 29-06-2022, VAT Re-assessment order has been passed by Asst. Commissioner (CT) vide order dated 10-08-2022 towards refund of VAT amount claimed by us. Refund is awaited and company is following up with Commercial Taxes Department.

**67**

The Code on Social Security,2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However,the date on which the Code will come into effect has not been notified.The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

## NOTES TO THE FINANCIAL STATEMENTS:

68 All figures are in Lakhs unless otherwise stated.

69 Previous year's figures are reclassified wherever necessary to conform to the current year's classification.

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**For and on behalf of the Board**

As per report of even date attached

**J.Vijayakumar**  
Director  
DIN : 00002530

**R Ravi**  
Chief Financial Officer

**For VKS Aiyer & Co.**  
Chartered Accountants  
ICAI Firm Regn. No. 000066S

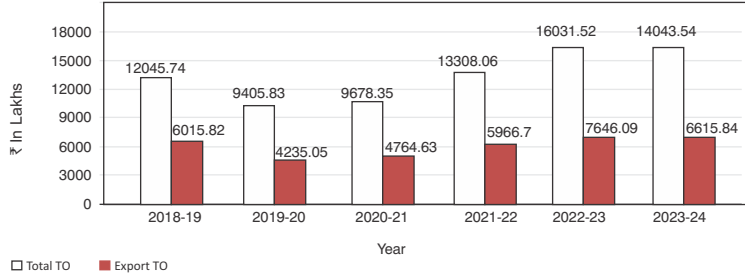
**N Krishna Samaraj**  
Managing Director  
DIN : 00048547

**Divya D**  
Company Secretary  
Membership No. A65076

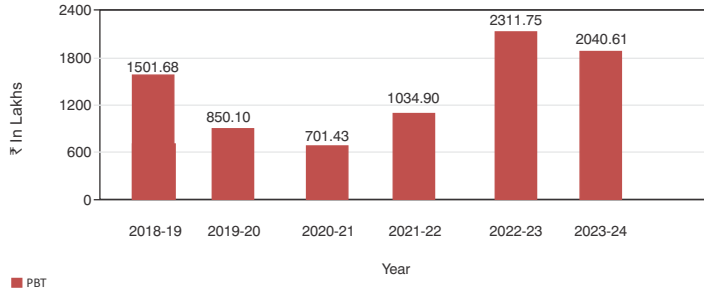
**C.S. Sathyanarayanan**  
Partner  
Membership No. 028328

Coimbatore  
29.05.2024

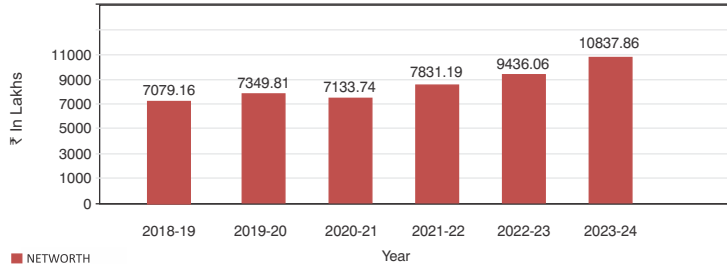
## TURNOVER



## PROFIT BEFORE TAX



## NETWORTH



## BOOK VALUE

