

MAGNA

MAGNA
ELECTRO
CASTINGS
LIMITED

**Annual Report
2022 - 2023**

Board of Directors	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 - w.e.f. 30.05.2023
	Smt. Vijayalakshmi Narendra	-DIN:00412374 - w.e.f. 30.05.2023
Managing Director	Sri.N.Krishna Samaraj	-DIN:00048547
Executive Director	Sri. M. Malmarugan	-DIN:09610329
Chief Financial Officer	Sri.R.Ravi	
Company Secretary	Smt.Sangeetha.C	
Auditors		
Statutory Auditors	M/s. VKS Aiyer & Co., Firm Reg.No. 000066S Chartered Accountants Coimbatore	
Internal Auditors	M/s S.Krishnamoorthy & Co Firm Reg.No.001496S Chartered Accountants Coimbatore	
Secretarial Auditors	M/s.MDS & Associates LLP LLPIN: ABZ-8060 Company Secretaries Coimbatore	
Cost Auditors	M/s.SBK & Associates Firm Reg.No.000342 Cost Accountants Chennai	
Bankers	1. Union Bank of India, Industrial Finance Branch 1604 Trichy road Coimbatore 641 018 2. Axis Bank Trichy Road Voltas Tower Coimbatore 641 018	
Registrars & Share Transfer Agents	S.K.D.C.Consultants Limited "Surya" 35, Mayflower Avenue Behind Senthil Nagar, Sowripalayam Road,Coimbatore - 641028	
Listing with Stock Exchange	BSE Limited, Mumbai	
Corporate Identification No.	L31103TZ1990PLC002836	
Registered Office	43, (Old No.62) Balasundaram Road Coimbatore 641 018 Phone: 91 422 2240109 Fax : 91 422 2246209	

Factory

A. FOUNDRY DIVISION

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

B. WIND ENERGY DIVISION

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

Internet

e-mail : info@magnacast.com

Website : www.magnacast.com

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NOTICE TO MEMBERS:

NOTICE is hereby given that the 33rd Annual General Meeting of the Members of Magna Electro Castings Limited will be held at 3.30.PM. India Standard Time (IST) on Saturday, 26th August, 2023 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, 2023, 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, 2023.
3. To appoint a Director in place of Sri.J.Vijayakumar (DIN: 00002530), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **Approval for entering into Related Party Transaction and in this regard, to consider and 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, as amended from time to time, ("Listing Regulations"), 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 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 ₹ 2500 Lakhs (Rupees Two Thousand and Five Hundred Lakhs Only) from the Annual General Meeting to be held in the year 2023 till the Annual General Meeting to be held in the year 2024, 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. **Ratification of remuneration payable to Cost Auditors and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) M/s. SBK & Associates (Firm Registration No: 000342), Cost 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, 2024 on a remuneration of ₹ 1,40,000/- (Rupees One Lakh Forty Thousand only) plus applicable taxes and re-imbursement of travelling and out of pocket expenses incurred by them for the purpose of audit be and are hereby ratified and confirmed.

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

6. Appointment of Sri. Ajeya Vel Narayanaswamy (DIN: 07553660) as Non-Executive Non-Independent Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT in accordance with the provisions of Section 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company, Sri. Ajeya Vel Narayanaswamy (DIN: 07553660), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 30th May, 2023 and who holds office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose Sri. Ajeya Vel Narayanaswamy as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

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.

7. Appointment of Smt. Vijayalakshmi Narendra (DIN: 00412374) as an Non-Executive Independent Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED THAT in accordance with the provisions of Section 149, 150, 152, 161 Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and as per the recommendations of the Nomination and Remuneration Committee and the Articles of Association of the Company, Smt. Vijayalakshmi Narendra (DIN: 00412374), who was appointed as an Additional Director of the Company in the capacity of Independent Director by the Board of Directors with effect from 30th May, 2023 and who holds office up to the date of this Annual General Meeting, and who had submitted a declaration that she 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 from a member signifying his intention to propose Smt. Vijayalakshmi Narendra as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five (5) consecutive years with effect from 30th May, 2023 and is not liable to retire by rotation.

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.

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

ITEM NO. 4

Pursuant to proviso to Regulation 23(1) of 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 ₹ 1,000 Crores or 10% of the total turnover of the Company as per the last audited financial statements, whichever is lower ("Materiality Threshold").

Due to increase in the turnover and an increase in the volume of transactions with the related party, the Company may be in a situation wherein the related party transactions, in the forthcoming period may be in excess of 10% of the total turnover of the Company as per the last audited financial statements.

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	15.59% 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 and 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 2023-24 and fixed the remuneration of ₹ 1,40,000/- (Rupees One Lakh Forty 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 2023-24.

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:

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act"), the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee at their meeting held on 24th May, 2023, the Board of Directors of the Company at their meeting held on 30th May 2023 had appointed Sri. Ajeya Vel Narayanaswamy (DIN: 07553660) as an Additional Director of the Company in the capacity of Non-Executive Non-Independent Director with effect from 30th May, 2023 to hold office up to the date of this Annual General Meeting in compliance with Regulation 17(1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sri. Ajeya Vel Narayanaswamy is not disqualified from being appointed as a Director in terms of Section 164 of the Act and is not debarred from holding the office of Director by virtue of any order of Securities and Exchange Board of India ("SEBI") or any other such authority and has also given his consent to act as a Director. Considering his field of experience in the Foundry Industry, General Business Management and Administration, the Board of Directors have recommended his appointment as Non-Executive Non-Independent Director to the Members.

The Company has received a Notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of Director of the Company.

The Board recommends the Ordinary Resolution as set out in Item No. 6 of the Notice for approval of the Members.

Sri. Ajeya Vel Narayanaswamy shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, and shall also be provided reimbursement of expenses for participating in the Board and other Meetings.

The details of the proposed Director as required pursuant to the provisions of Regulation 36 of the Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), is provided elsewhere in this Notice.

Interest of Directors: Sri Ajeya Vel Narayanaswamy, the proposed appointee is the son of Sri. N. Krishna Samaraj, Managing Director of the Company.

Except Sri Ajeya Vel Narayanaswamy, being the appointee Director and Sri. N. Krishna Samaraj, relative of appointee Director, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the resolution as set out under Item No.6 of the Notice.

ITEM NO.7:

In terms of Section 161 of the Companies Act, 2013, the Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee at their meeting held on 24th May, 2023 had appointed Smt. Vijayalakshmi Narendra (DIN: 00412374), as an Additional Director in the capacity of Non-Executive Independent Director on the Board of Directors of the Company at their meeting held on 30th May, 2023 with effect from the said date.

Smt. Vijayalakshmi Narendra (DIN: 00412374) holds office up to the date of this Annual General Meeting in compliance with Regulation 17(1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has received a Notice in writing from a Member under Section 160 of the Act, proposing her candidature for the office of Independent Director of the Company.

Smt. Vijayalakshmi Narendra is not disqualified from being appointed as a Director in terms of Section 164 of the Act and is not debarred from holding the office of Director by virtue of any Securities and Exchange Board of India ("SEBI") order or any other such authority. She has given her consent to act as Independent Director along with the declaration to the effect that she meets the criteria of independence as prescribed under the Act and the Listing Regulations and that her name is included in the databank of Independent Directors as required under Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board, Smt. Vijayalakshmi Narendra fulfills the conditions as specified under the Act read with the Rules made thereunder and the Listing Regulations for her appointment as an Independent Director of the Company and is also independent of the Management.

The Nomination and Remuneration Committee and the Board of Directors have 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 Smt. Vijayalakshmi Narendra with her experience and expertise will be of immense value addition to the Company.

A copy of the draft letter of appointment of Smt. Vijayalakshmi Narendra as Independent Director of the Company is available for inspection at the Registered Office of the Company and also posted on the website 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. 7 of the Notice for appointment of Smt. Vijayalakshmi Narendra as an Independent Director for a term of five (5) consecutive years, for approval by the Members of the Company.

Except Smt. Vijayalakshmi Narendra being the appointee Director, 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. 7 of the Notice.

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

Name of the Directors	Sri.J.Vijayakumar	Sri. Ajeya Vel Narayanaswamy
DIN	00002530	07553660
Date of Birth/Age	09.12.1952 / 70 Years	23.12.1995 / 27 Years
Nationality	Indian	USA
Date of appointment on the Board	22.08.1990	30.05.2023
Qualification	B.Com, MBA (USA)	B.E., (Mechanical Eng.) MSc., (Manufacturing Systems & Eng.)
Expertise / Experience	More than 38 years of Industrial experience and expertise in General Administration and Finance. Managing Director of M/s. Veejay Terry Products Limited and looking after its day to day operations.	He has 5 years of experience in varied fields of technology, operations, general management, research & development in foundry Industry.
Shareholding	10,100 Equity Shares	3,63,000 Equity Shares
Relationship with other directors	Not related to any of the other Directors of the Company	Sri. Ajeya Vel Narayanaswamy is the son of Sri. N. Krishna Samaraj, Managing Director of the Company.
Board position held	Director	Additional Director (Non-Executive, Non-Independent, part of the promoter group)
Terms of Appointment/ Re-appointment	Liable to retire by rotation.	As per Item No. 6 of the Notice.
Remuneration sought to be paid	Sitting Fees only	Sitting Fees only
Remuneration last drawn	₹ 2,40,000/- as sitting fees	NA
No. of Board Meetings attended during the year	6	NA
List of Directorships held in other Companies	Veejay Terry Products Limited	Nil
Details of Membership in Committees of Other Companies	Veejay Terry Products Limited -Stakeholders Relationship Committee (Member)	Nil
Names of listed entities in which the person has resigned in the past three years	Nil	Nil

Name of the Director	Smt. Vijayalakshmi Narendra
DIN	00412374
Date of Birth/Age	11.05.1956/ 67 Years
Nationality	Indian
Date of appointment on the Board	30/05/2023
Qualification	Science Graduate
Expertise / Experience	She has vast experience in Corporate Compliance of Regulations of SEBI, Companies Act, Listing Agreement and General Management.
Shareholding	Nil
Relationship with other directors	Not related to any of the other Directors of the Company
Board position held	Additional Director (Non Executive, Independent)
Terms of Appointment/ Re-appointment	As per Item No. 7 of the Notice.
Remuneration sought to be paid	Sitting Fees only
Remuneration last drawn	NA
No. of Board Meetings attended during the year	NA
List of Directorships held in other Companies	<ol style="list-style-type: none"> 1. Super Sales India Limited 2. Ambika Cotton Mills Limited 3. Lakshmi Life Sciences Private Limited 4. Chakradhara Aerospace and Cargo Private Limited
Details of Membership in Committees of Other Companies	<p>Super Sales India Limited</p> <ul style="list-style-type: none"> -Audit Committee (Member) -Stakeholders Relationship Committee (Member) -Nomination & Remuneration Committee (Member) -CSR Committee (Member) <p>Ambika Cotton Mills Limited</p> <ul style="list-style-type: none"> -Audit Committee (Member)
Names of listed entities in which the person has resigned in the past three years	Nil
Skills and Capabilities required for the role and the manner in which the proposed person meets such requirements	<p>Smt. Vijayalakshmi Narendra meets the following skills and capabilities required for the role of Independent Director, as have been identified by the Board of Directors of the Company:</p> <ul style="list-style-type: none"> - Professional skills and specialized knowledge in compliance management - Analytical skills - Independent and Diligence

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

Place : Coimbatore
Date : 30.05.2023

N. Krishna Samaraj
Managing Director
DIN: 00048547

NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020, 13th April, 2020, 15th June, 2020, 28th September, 2020, 31st December, 2020, 13th January, 2021, 14th December 2021, 5th May 2022 and 28th December, 2022 (collectively referred to as "MCA Circulars") permitted the conduct of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. The same has been acknowledged by the Securities and Exchange Board of India vide their circulars dated 12th May, 2020, 15th January, 2021, 13th May 2022 and 5th January, 2023 (collectively referred to as "SEBI Circulars"). The deemed venue for the AGM shall be the Registered Office of the Company. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") 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.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to mds@mdsassociates.in with a copy marked to the Company at info@magnacast.com and to its RTA at info@skdc-consultants.com.
4. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report for the financial year 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the 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 2022-23 will also be available on the Company's website www.magnacast.com, websites of Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of Link Intime India Private Limited at instavote.linkintime.co.in. Members can attend and participate in the Annual General Meeting 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.
5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
7. Details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by ICSI in respect of the Director seeking re-appointment/ appointment at the Annual General Meeting is furnished and forms a part of the Notice.
8. The Company has paid the annual listing fees for the period 2023-24 to the Stock Exchange, BSE Limited, Mumbai.
9. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members of the Company will remain closed during the period from 20th August, 2023 to 26th August, 2023 (both days inclusive) for determining the names of the members eligible for Annual General Meeting.

10. 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 and the same, duly filled up and signed along with original cancelled cheque leaf may be sent to the Company or to the Registrar and Share Transfer Agent ("RTA").
11. 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 Annual General Meeting (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 33rd Annual General Meeting.
12. Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting will be paid within 30 days from the date of declaration to those Members whose names appear on the Register of Members in respect of shares held in physical form as well as in respect of shares held in electronic form as per the details received from the depositories for this purpose as at the close of the business hours on Saturday, 19th August, 2023.
13. 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.
14. Members are requested to notify immediately any change in their address to their Depository Participant(s) ("DPs") 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
15. 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 namely www.magnacast.com. Members holding shares in electronic form must approach their Depository Participant(s) for completing the nomination formalities.
16. 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.
17. Soft copies of the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the Members on the website of the Company at www.magnacast.com during the time of the AGM.
18. 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.

19. Those members who have not encashed dividend warrants of earlier years may return the time barred dividend warrants to the Company or its Registrars and Share transfer Agents for revalidation of such instruments.
20. Members who wish to claim dividends, which remain unclaimed are requested to correspond with the Registrar and Share Transfer Agents of the Company. Members are requested to note that 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.

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 2022-23 are available at the Company's website www.magnacast.com.

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

21. We invite all our members to visit our website at www.magnacast.com for a virtual tour of our factory and a review of our products and services.
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 Depository Participant (DP) immediately. Shareholders holding shares in physical form are requested to dematerialize their shares and register their email address with our Registrars & Share Transfer Agents, SKDC Consultants Ltd., "Surya" 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028; email id: green@skdc-consultants.com.
23. a. Securities and Exchange Board of India 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 Depository Participant within the prescribed timeline.
- c. Further, SEBI vide its circular dated 3rd November, 2021 and 16th March, 2023 has also mandated that the Shareholders holding shares in physical form are required to update their PAN, KYC details, bank details and nomination details with the RTA on or before 1st October, 2023, failing which the securities held by such Shareholder will be frozen by the RTA. The securities once frozen will revert to normal status only upon receipt of requisite KYC documents or upon dematerialization of the said securities. Shareholders holding shares in physical form may also note that once the securities are frozen, the dividend payments will be processed only upon receipt of requisite KYC details and credited to the bank account of the Shareholder electronically.

- 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.

24. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant(s) with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Company or Registrar and Share Transfer Agent.
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 Registrars and Share Transfer Agents, M/s. SKDC Consultants Limited cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of Dividend are requested to write to the Company or its Registrar and Share Transfer Agents.
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 Finance Act 2020, dividend income will be taxable in the hands of Shareholders with effect from 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to Shareholders at the prescribed rates. For the prescribed rates for various categories, the Shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. Detailed communication regarding the prescribed TDS rates for various categories, conditions for Nil/ preferential TDS and details / documents required thereof are being sent to the members. Members are requested to submit the documents using Company's mail id investorscell@magnacast.com on or before 24th August, 2023.
30. Members holding shares in electronic form may please note that as per the regulations of National Security Depository Services Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Company is

obliged to print the details on the Dividend warrants as furnished by these Depositories to the Company and the Company cannot entertain any request for deletion / change of Bank details already printed on dividend warrants as per the information received from the concerned depositories. In this regard, Members should contact their respective Depository Participants (DPs) and furnish the particulars of any changes desired by them.

31. Members are requested to forward their share related queries and communications directly to the Registrars and Share Transfer Agents of the Company – SKDC Consultants Ltd., “Surya” 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028, TN, India, email id: info@skdc-consultants.com or the Company Secretary of the Company; email id: investorscell@magnacast.com.

VOTING THROUGH ELECTRONIC MEANS

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, (as amended) (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force), Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS - 2), the Company is providing its members the facility to cast their vote electronically from a place other than venue of the Annual General Meeting (“remote e-voting”) using an electronic voting system provided by Link Intime India Private Ltd (‘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 Saturday, 19th August, 2023, may refer to this Notice of the Annual General Meeting, posted on Company’s website 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 23rd August, 2023 at 9.00 AM (IST) and ends on 25th August, 2023 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 Saturday, 19th August, 2023 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:

1. Individual Shareholders holding securities in demat mode with NSDL

1. Existing IDeAS user can visit the e-Services website of NSDL viz... <https://eservices.nsdl.com> either on a personal computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value

added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.

2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com> Select “Register Online for IDeAS Portal” or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.

2. Individual Shareholders holding securities in demat mode with CDSL

1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.
2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.
3. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
4. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

3. Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form is given below:

Individual Shareholders of the Company, holding shares in physical form 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:** Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
 - B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders 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 holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above

*Shareholders holding shares in NSDL form, shall provide ‘D’ above
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:

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

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at 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 evoting@nsdl.co.in 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 helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

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 minimum 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.

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”.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the Linkintime Instavote e-Voting system. Members may access the same at <https://instameet.linkintime.co.in>.
2. Members are encouraged to join the Meeting through Desktops/ Laptops than through Mobile Devices for better experience.
3. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
4. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at investorscell@magnacast.com on or before 05.00 PM IST on Monday, 21st August, 2023.

Note:

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

5. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Speakers on first come basis will only be allowed to express their views/ask questions during the meeting.
7. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investorscell@magnacast.com on or before 05.00 PM IST on Monday, 21st August, 2023. The same will be replied by the Company suitably.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting for a short duration of 5 minutes only.
9. Members can join the AGM in the VC/OAVM mode 15 (Fifteen) minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

Process and manner for attending the Annual General Meeting through InstaMeet:

Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

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).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

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 3 days in advance with the Company on the specific email id created for the general meeting.
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 Annual 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 Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

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

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

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

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

InstaMeet Support Desk

Link Intime India Private Limited

Annexure

Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>
or
- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application. Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now

- I. 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. 19th August, 2023.
- II. The Company has appointed Mr.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.

- III. The Scrutinizer shall immediately after the conclusion of the Annual General Meeting, will first count the votes casted during the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company not later than 48 hours of the conclusion of the AGM.
- IV. The Results shall be declared within 2 days of the conclusion of the Annual General Meeting. The results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website www.magnacast.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited where the Company's shares are listed.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 33rd Annual Report and Audited Accounts of the Company for the year ended 31st March, 2023.

FINANCIAL RESULTS

The highlights of the performance of your Company during the financial year 2022-23 are given hereunder;
(₹ in lakhs)

For the Financial year ended	31.03.2023	31.03.2022
Total Revenue	16793.63	13747.47
Profit before interest, depreciation, exceptional, extraordinary items and income tax	2896.54	1526.10
Finance Cost	34.42	32.32
Depreciation	550.37	458.88
Profit before Exceptional & Extra-ordinary items	2311.75	1034.90
Exceptional Items(Income)	-	-
Profit before tax	2311.75	1034.90
Provision for Income tax	646.58	300.00
for Deferred tax	(47.06)	(38.00)
Profit for the period	1712.23	772.90

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 increased by 21.20% from ₹ 13584.04 Lakhs in the previous year to ₹ 16464.29 Lakhs in the current year. Further the Profit Before Tax has also increased by 123.38% from ₹ 1034.90 Lakhs in the previous year to ₹ 2311.75 Lakhs in the current year. The increase in operating revenue and profitability was due to favourable market condition, product mix and input cost. The Export Revenue has also registered an increase of 28.15% over the previous year.

The raw material cost were relatively stable during the financial year ended 31st March, 2023. However the power tariff was increased by TANGEDCO and this has resulted in a marginal increase of 3.5% in Power Cost.

In order to comply with the ESG requirements of Multi-National companies, we are pleased to report that 80% of the Company's energy is green/ renewable energy which is met through our existing Windmills and generation of Solar Power on a Captive User basis. Further we plan to invest in Sand Reclamation Systems so that the burden on the environment is substantially reduced.

The Wind Energy Division generated a revenue of ₹ 397.48 Lakhs during the year as against ₹ 461.13 Lakhs, in the previous year. One Wind Energy Generator 750 KW was disposed off during the financial year 2022-23.

During the year, the Company has invested ₹ 144 Lakhs in the equity shares of First Energy TN1 Private Limited for generation of Solar Power on a Captive User basis for a capacity of 4 MW. This project was commissioned during the last week of December, 2022 and has since been generating Solar Power.

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

DIVIDEND

Your Directors are pleased to recommend, subject to the approval of the shareholders, a dividend of ₹ 3.00 per share, i.e. at the rate of 30% for the year on the paid-up equity share capital of the Company as on the reporting date. The dividend, if approved, will absorb an amount of ₹ 126.96 Lakhs and will be paid to shareholders on approval, subject to deduction of tax at source.

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.

The Company has procured land of 1.80 acre near the plant for future use of the Company.

FUTURE PLANS

The Company is planning to augment its molding capacity, which will enable the Company to produce castings in different weight segments to cater to the requirements of its customers.

QUALITY RECOGNITIONS

As a part of quality improvement initiatives, the Company has obtained new certification under Pressure Equipment Safety Regulations (PESR). 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.

FINANCE

The Company incurred a finance cost of ₹ 34.42 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 ₹ 200 Lakhs out of the current year profits to General Reserves during the year and an amount of ₹ 4961.80 lakhs is retained in the Statement of Profit & Loss.

SHARE CAPITAL

The paid-up capital of the Company as at 31.03.2023 stood at ₹ 4,23,21,040/- divided into 42,32,104 equity shares of ₹ 10/- each. During the year under review, the Company has not made any fresh issue of shares.

TRANSFER OF UNCLAIMED DIVIDEND TO EDUCATION AND PROTECTION FUND:

In terms of Section 124 & 125 of the Companies Act, 2013, any unclaimed or unpaid Dividend relating to the Financial Year 2015-16 is due for remittance on 22nd October, 2023 to the Investor Education and Protection Fund established by the Central Government.

Further, pursuant to Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, 8500 Equity Shares of ₹ 10/- each on which dividend had remained unclaimed for a period of 7 years have been transferred to the credit of Demat Account identified by the IEPF Authority during the year under review.

WEB LINK OF ANNUAL RETURN

The Annual Return of the Company for the financial year 2022-23 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>.

BOARD AND ITS COMMITTEE MEETINGS CONDUCTED DURING THE PERIOD UNDER REVIEW

The details of the composition of the Board and its Committees namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, CSR Committee and of the 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 ['SEBI (LODR) / Listing Regulations'] so as to qualify themselves as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['SEBI (LODR) / 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 2022-23 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 SEBI Listing Regulations. The detailed Remuneration Policy can be accessed on the Company's website at the link <https://www.magnacast.com/uploads/invsbpdf/nomination-and-remuneration-policy-31012022-amended-subd62d0ea3371161.pdf>

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.

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

There were no loans, guarantees made by the Company under Section 186 of the Companies Act, 2013 during the year under review. However, the Company has invested in the Equity Shares of First Energy TN1 Private Limited to the extent of ₹ 144 Lakhs for Captive Consumption Model- Solar Power Project during the year.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended) during the financial year 2022-23 were in the ordinary course of business and on an arm's length basis. Since there are no transactions which are not on arm's length basis and material in nature, the requirement of disclosure of such related party transactions in Form AOC-2 does not arise.

The Policy on Related Party Transactions as approved by the Audit Committee and Board of Directors of the Company has been uploaded on the Company's website and may be accessed through the link at <https://www.magnacast.com/uploads/invsubpdf/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, 2023 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-B** and is 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 Committee of Board of Directors comprising of Dr.R.Nandini, Sri. G. D. Rajkumar and Sri.N.Krishna Samaraj. The CSR policy of the Company deals with allocation of funds, activities, identification of programs, approval, implementation, monitoring and reporting mechanisms under the policy.

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

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

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

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

DIRECTORS & KEY MANAGERIAL PERSONNEL

The Board of Directors at their Meeting held on 30th May, 2023 have appointed Sri. Ajeya Vel Narayanaswamy (DIN: 07553660) as an Additional Non-Executive and Non-Independent Director and he holds office up to the date of this Annual General Meeting in compliance with Regulation 17(1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Sri. Ajeya Vel Narayanaswamy fulfils the conditions as specified under the Act read with the Rules made thereunder for his appointment as a Non-Executive Director of the Company subject to approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors at their Meeting held on 30th May, 2023 have appointed Smt. Vijayalakshmi Narendra (DIN: 00412374) as an Additional Non-Executive and Independent Director to hold office for a period of 5 years w.e.f. 30.05.2023 and they hold office up to the date of this Annual General Meeting in compliance with Regulation 17(1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Smt. Vijayalakshmi Narendra fulfils the conditions as specified under the Act read with the Rules made thereunder and the Listing Regulations for his appointment as an Independent Non-Executive Director of the Company subject to approval of the shareholders in the ensuing Annual General Meeting. The Company has also received declaration from the appointee Director that she fulfils the criteria of independence as prescribed under Section 149(6) of the Act as well as Regulation 16(1)(b) of the Listing Regulations.

The Board of Directors on recommendation of the Nomination and Remuneration Committee recommends their respective appointment to the shareholders, at the ensuing Annual General Meeting. Accordingly, necessary resolutions proposing the appointment of Sri. Ajeya Vel Narayanaswamy as Director and Smt. Vijayalakshmi Narendra as Independent Director of the Company have been included in the Agenda of the Notice convening the Annual General Meeting for the approval of the members.

Sri. J. Vijayakumar (DIN: 00002530) Director retires by rotation at the Annual General Meeting and being eligible, offers himself for reappointment. Your Directors recommend his re-appointment.

Key Managerial Personnel of the Company as required pursuant to Section 2 (51) and 203 of the Companies Act, 2013 are

Sri. N. Krishna Samaraj	- Managing Director,
Sri. M. Malmarugan	- Executive Director
Sri. R. Ravi	- Chief Financial Officer and
Smt. Sangeetha. C	- Company Secretary.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

FIXED DEPOSITS

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, 2023 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

The Board has appointed M/s. MDS & Associates LLP, Company Secretaries, Coimbatore (Peer Review No. 3030/2023) as the Secretarial Auditors of the Company for the year 2023-24 to carry out the Secretarial Audit, pursuant to the provisions of Section 204 of the Companies Act, 2013.

The report of the Auditors for the financial year 2022-23 is annexed as **Annexure-D** 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 2023-24. 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 2023-24 to the Cost Auditors of the Company is subject to ratification by the Shareholders at the ensuing Annual General Meeting. The Board recommends their remuneration.

DISCLOSURE ON MAINTENANCE OF COST RECORDS

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

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

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

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

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

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 2022-23:

- 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 to **Annexure-E** is attached to this report.

CORPORATE GOVERNANCE

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

AUDIT COMMITTEE

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

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

CEO/CFO CERTIFICATION

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

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

The Company has provided for adequate safeguards to deal with instances of fraud and mismanagement and to report concerns about unethical behavior or any violation of the Company's Code of Conduct. During the year under review, there were no complaints received under this mechanism. The policy can be accessed on the Company's website at <https://www.magnacast.com/uploads/invsubpdf/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. The Directors would also like to thank all the stakeholders for continuing to repose faith in the Company and its future.

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

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

Place : Coimbatore
Date : 30.05.2023

K Gnanasekaran
Director
DIN: 00133645

N. Krishna Samaraj
Managing Director
DIN: 00048547

FINANCIAL HIGHLIGHTS

	5 Year Highlights					(₹ In Lakhs)
Financial year ended 31st March	2019	2020	2021	2022	2023	
Operating Results						
Sales and Other Income	12587.59	9847.19	9901.87	13747.47	16793.63	
Operating Profit	2093.18	1320.74	1147.27	1546.45	2913.78	
Finance Cost	29.03	11.58	7.50	32.32	34.42	
Gross Profit	2064.15	1309.16	1139.77	1514.13	2879.36	
Depreciation	543.22	436.45	417.18	458.88	550.37	
Taxation	361.96	181.44	183.57	262.00	599.52	
CSR Expenditure	19.25	22.61	21.16	20.35	17.24	
Net Profit	1139.72	668.66	517.86	772.90	1712.23	
Dividend (including dividend tax)	276.20	138.10	63.48	105.80	126.96	
Retained Profit	863.52	530.56	454.38	667.10	1585.27	
Performance Parameters						
Net Fixed Assets	3149.20	3136.06	2950.34	3081.45	3870.63	
Share Capital	458.22	458.22	423.21	423.21	423.21	
Reserves	6620.94	6891.59	6710.53	7407.98	9012.85	
Net Worth	7079.16	7349.81	7133.74	7831.19	9436.06	
Return on Net Worth %	16.10	9.10	7.26	9.87	18.15	
Borrowings	-	-	-	491.29	-	
Debt Equity Ratio	-	-	-	0.06	-	
Dividend (%)	50	25	15	25	30	
Earnings per share (₹)	24.87	14.59	11.67	18.26	40.46	

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

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

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

YEAR	2023	2022	2021	2020	2019
Number of Units per Ton of good castings	1943	*2023	*2033	1912	1666

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

Power Consumption	2022-23		2021-22	
	No of Units	%	No of units	%
Total Electricity	1,42,23,446	100.00	1,41,31,896	100.00
Own Generation – Windmill	61,78,532	43.44	63,20,756	52.43
Purchased from TNEB	68,29,234	48.01	63,59,339	7.12
Third Party Purchase	-	-	14,51,801	40.45
Solar Power	12,15,680	8.55	NA	NA

(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 will meet almost 90% of the Company's power demand at its existing capacity limits

(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)

Expenditure on R&D	2022-23	2021-22
Capital	-	-
Revenue	115.89	59.67
Total	115.89	59.67
R&D Expenditure as a percentage of Turnover	0.70	0.44

C. Foreign Exchange earnings & outgo:

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

(₹ in Lakhs)

Particulars	2022-23	2021-22
Foreign Exchange Earnings	7646.09	5966.70
Foreign Exchange Outgo	254.65	262.97

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

Place : Coimbatore
Date : 30.05.2023

K Gnanasekaran
Director
DIN: 00133645

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.

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

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 of the Committee)	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/invsubpdf/invsubpdf2020-02-04-xxfb5e38ebc1cbca4.pdf>

The web-link where the CSR policy is disclosed on the website of the Company is <https://www.magnacast.com/uploads/invsubpdf/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/invsubpdf/csr-policy-tzos608aa07b65155.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) ₹ 862.15 Lakhs
 (b) Two percent of average net profit of the Company as per Section 135(5) ₹ 17.24 Lakhs
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years ₹ 41.26 Lakhs
 (d) Amount required to be set off for the financial year, if any ₹ 17.24 Lakhs
 (e) Total CSR obligation for the financial year ₹ 17.24 Lakhs
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) NIL
 (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)] NIL
- (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
17.24	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)	17.24
ii)	Total amount spent for the Financial Year	17.24
iii)	Excess amount spent for the financial year [(ii-i)]	-
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	41.26
v)	Amount available for set off in succeeding financial years [(iii) - (iv)]	24.02

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	2019-20	-	-	-	-	-	-	-
2	2020-21	-	-	-	-	-	-	-
3	2021-22	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-	-

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 : 30.05.2023

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, 2023

[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, 2023**, 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, 2023 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

Place : Coimbatore
Date : 30.05.2023

Membership No.: FCS 960 C P No.: 411
Peer Review No. 3030/2023 dt: 20.03.2023
UDIN: F000960E000375433

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

Place : Coimbatore
Date : 30.05.2023

Membership No.: FCS 960 C P No.: 411
Peer Review No. 3030/2023 dt: 20.03.2023
UDIN: F000960E000375433

ANNEXURE - E

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	25:1
	Executive Director	16:1
2.	Percentage increase in remuneration of the Managing Director, Chief Financial Officer and Company Secretary	
	a. Managing Director	0.5%
	b. Executive Director	NA
	c. Chief Financial Officer	3.5%
	d. Company Secretary	8%
3.	Percentage increase in median remuneration of employees in the financial year	9%
4.	No of permanent employees on the rolls of the Company	235 (last year 185)
5.	Average percentile increase in employees remuneration (other than managerial remuneration) in the last financial year	9%
6.	Percentage increase in managerial remuneration	0.5%

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

During the financial year 2022-23, there were no employees in the Company who were in receipt of remuneration exceeding in aggregate ₹ 1.02 Crores, if employed for the whole year and ₹ 8.50 Lakhs per month, if employed for any part of the year.

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 March 31, 2023, 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 Director which includes (2) Women Independent Director 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 Six times during the Financial Year on 12th May, 2022; 30th May, 2022 ; 8th August, 2022; 9th November, 2022; 31st January, 2023 and 30th March, 2023. The details of composition of Board, no. of other directorships in other public companies, chairmanship and membership in Committees of other public companies as held by the directors of the Company, attendance of directors at board meetings and last annual general meetings are given below:

Name of the Director	Category	Attendance Particulars		No. of Directorships in other Public Companies#	No.of Committee positions held in all Companies \$ (Member/ Chairman)
		Board Meeting	Last AGM		
Sri.J.Vijayakumar (DIN: 00002530)	Non-Executive/ Non- Independent	6/6	Yes	1	3/1
Sri. N. Krishna Samaraj (DIN: 00048547)	Managing Director Promoter	6/6	Yes	2	1/0
Sri.K.Gnanasekaran (DIN: 00133645)	Non-Executive/ Independent	6/6	Yes	1	4/3
Dr.R.Nandini (DIN: 00002223)	Non-Executive/ Independent	5/6	Yes	1	2/0
Dr.Jairam Varadaraj (DIN: 00003361)	Non-Executive/ Independent	4/6	Yes	7	3/0
Sri. G. D. Rajkumar (DIN: 00197696)	Non-Executive/ Independent	5/6	No	1	1/0
Sri. M. Malmarugan (DIN: 09610329)	Executive Director	5/5	Yes	0	0
Sri. Ajeya Vel Narayanasamy (DIN:07553660) w.e.f 30.05.2023	Non-Executive/ Non-Independent	NA	NA	0	0

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		
Smt. Vijayalakshmi Narendra (DIN: 00412374) w.e.f 30.05.2023	Non-Executive/ Independent	NA	NA	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. Further, none of the Directors including Independent Directors hold directorships in more than the maximum number of Directorships prescribed under Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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)	Precot Limited	Non-Executive-Independent Director
	Elgi Rubber Company Limited	Non-Executive - Non-Independent Director
	Thermax Limited	Non-Executive-Independent Director
	Elgi Equipments Limited	Managing Director- Promoter
Sri.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) w.e.f. 30.05.2023	Nil	Nil

Directors	Details of the other listed entities where the Directors hold directorship	
	Name of the listed entity	Designation
Smt. Vijayalakshmi Narendra (DIN: 00412374) w.e.f 30.05.2023	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, 2023:

S. No.	Name of Director	No. of equity Shares held (as on March 31, 2023)
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 Companies Act, 2013 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 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 Directors/ Executive Directors / Key Managerial 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 Familiarization Program for Independent Directors have been posted on the Company's website at <https://www.magnacast.com/uploads/invsbpdf/familiarization-programme-2022-23-1-weja64535663620fe.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:

Core Skill / Expertise / Competencies	DESCRIPTION
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
Sri. J Vijayakumar	Financial, General Administration, Strategic Planning
Sri. N. Krishna Samaraj	Financial, General Administration, Strategic Planning, Technology, Global Business, Social Responsibility
Sri. K. Gnanasekaran	Financial, Strategic Planning
Dr. R. Nandini	Financial, General Administration, Strategic Planning, Social Responsibility
Dr. Jairam Varadaraj	Financial, General Administration, Strategic Planning, Technology, Global Business, Social Responsibility
Sri. G D Rajkumar	Financial, General Administration, Strategic Planning, Technology, Global Business, Social Responsibility
Sri. M. Malmarugan	Financial, General Administration, Strategic Planning, Technology, Global Business, Social Responsibility
Sri. Ajeya Vel Narayanasamy	Financial, General Administration, Strategic Planning, Technology, Global Business, Social Responsibility
Smt. Vijayalakshmi Narendra	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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 met on 31st January, 2023 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**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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the members of the Audit Committee have knowledge of finance, accounts and engineering industry. The quorum for an audit committee meeting is a minimum of two Directors.

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

During the year under review, the Committee met Six times on 12th May, 2022; 30th May, 2022 ; 8th August, 2022; 9th November, 2022; 31st January, 2023 and 30th March, 2023. The Composition of the Audit Committee and the attendance of each member of the Committee is given below;

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 (Member)	Non-Executive/ Non-Independent	6	6
Sri.K.Gnanasekaran (Chairman)	Non-Executive/ Independent	6	6

Name of the Member	Category	No. of Meetings held during the year	No. of Meetings attended
Dr.R.Nandini (Member)	Non-Executive/ Independent	6	5
Sri. G. D. Rajkumar (Member)	Non-Executive/ Independent	6	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 2022-23, before it was placed in the Board.

The Chairman of the Audit Committee had attended the Annual General Meeting held on 26th August, 2022

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act 2013.

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

During the year under review, the Committee met three times on 24th May, 2022, 31st January, 2023 and 30th March, 2023.

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

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

The Chairman of the Nomination and Remuneration Committee had attended the Annual General Meeting held on 26th August, 2022.

The Company pays remuneration to Managing Director / 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. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees. They also evaluated various aspects of the Board such as adequacy of the composition of the Board and its Committees, Board Diversity, execution and performance of specific duties, obligations and governance.

DETAILS OF REMUNERATION TO DIRECTORS:

Remuneration and sitting fees paid to Executive and Non-Executive Directors during the year ended 31st March, 2023 are as follows:

(₹ In Lakhs)

Name	Salary	Perquisites	Sitting Fees	Others	Total
Sri.J.Vijayakumar	-	-	2.40	-	2.40
Sri.K.Gnanasekaran	-	-	2.40	-	2.40
Dr.R.Nandini	-	-	1.60	-	1.60
Dr.Jairam Varadaraj	-	-	0.80	-	0.80
Sri. G. D. Rajkumar	-	-	1.60	-	1.60
Sri.N.Krishna Samaraj	80.64	-	1.80	-	82.44
Sri.M Malmarugan	58.39	-	1.00	-	59.39

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>

The Company currently does not have any Stock Option Scheme.

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 31st May, 2022 ; 9th August, 2022; 9th November, 2022 and 31st January, 2023.

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	4
Sri.N.Krishna Samaraj (Member)	Executive/ Non- Independent	4	4
Sri.K.Gnanasekaran (Member)	Non-Executive/ Independent	4	4

The Chairman of the Stakeholders Relationship Committee had attended the Annual General Meeting held on 26th August, 2022.

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

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 transfer, transmission, transposition, name deletion and issue of duplicate share certificates.

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

The total number of complaints received and replied to the satisfaction of shareholders during the year ended 31st March, 2023 were Nil. There were no pending/ outstanding complaints as on 31st March 2023.

Pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

Unclaimed Suspense Account:

During the year, the Company has opened Suspense Escrow Demat Account in compliance with SEBI Circular No. SEBI/HO/MIRSD/PoD-1/OW/P/2022/64923 dated December 30, 2022.

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 8,500 shares to IEPF Authority Account during the financial year.

The voting rights on the shares outstanding in the IEPF Authority as on March 31, 2023, 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, 2022	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, 2023	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:

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

During the year under review, the Committee met two times on 2nd April, 2022 and 29th July, 2022.

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

Name of the Member	Category	No. of Meetings held during the year	No. of Meetings attended
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
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. Malmarugan 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.
2019-20	23.09.2020	3.30 pm	<i>Video Conference Mode</i> Deemed Venue: 43, Balasundaram Road, Coimbatore-641018	NIL

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 the need for postal ballot to pass any resolution in the financial year 2023-24.

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.	33rd Annual General Meeting date, time and venue	26th August, 2023 at 3.30 P.M. Through Video Conference Mode Deemed Venue: 43, Balasundaram Road, Coimbatore-641018
ii.	Financial calendar	1st April, 2022 to 31st March, 2023
iii.	Dividend payment date	Within 30 days from the date of AGM
iv.	Date of Book Closure	20th August, 2023 to 26th August, 2023 (Both days inclusive)
v.	Listing on Stock Exchanges	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001. Annual listing fee for the financial year 2022-23 paid to the Stock Exchange.
vi.	Scrip Code Scrip Name ISIN No.	517449 MAGNAELQ INE437D01010
vii.	Registrars and Share Transfer Agents for both Dematerialised and physical shares	M/s SKDC Consultants Limited “Surya” 35, Mayflower Avenue Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028
viii.	Details of Compliance Officer	Smt. Sangeetha C Company Secretary 43 (Old No.62) Balasundaram Road Coimbatore – 641 018. Ph: 0422 2240109 Fax: 0422 2246209 Email: sangeetha.c@magnacast.com
ix.	Share Transfer system	The Company's shares being in compulsory dematerialized (demat) list are transferable through the depository system and there is no physical transfers allowed as per SEBI's Instructions. Shares in physical form for transmission/ transposition are being processed by the Registrar and Share Transfer Agents, SKDC Consultants Limited and approved by the Share Transfer Committee of the Company. The Share transfers are processed within a period of 15 days from the date of receipt of the transfer documents by SKDC Consultants Limited, if the documents are complete in all respects. All requests for dematerialization of shares are processed and confirmed to the depositories, NSDL and CDSL, within 15 days. The Stakeholders Relationship Committee generally meets quarterly and acknowledges the Share Transfer Committee's activities.

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

Month	High (₹)	Low (₹)
Apr -2022	214.85	192.90
May -2022	208.90	171.00
Jun -2022	180.00	150.95
Jul -2022	214.60	165.00
Aug -2022	399.55	186.85
Sep -2022	370.00	300.00
Oct -2022	353.40	301.10
Nov-2022	436.55	320.40
Dec-2022	426.00	334.25
Jan -2023	400.00	355.05
Feb -2023	341.85	290.00
Mar-2023	328.85	254.00

iii. Share Price Performance in comparison with BSE Sensex:

Month	Magna Electro Castings Limited	S&P BSE Sensex
	Share price- Close (₹)	Sensex- Close
Apr-22	198.45	57,060.87
May-22	177.45	55,566.41
Jun-22	170.05	53,018.94
Jul-22	190.60	57,570.25
Aug-22	362.50	59,537.07
Sep-22	318.95	57,426.92
Oct-22	338.00	60,746.59
Nov-22	414.00	63,099.65
Dec-22	379.95	60,840.74
Jan-23	359.80	59,549.90
Feb-23	296.55	58,962.12
Mar-23	278.10	58,991.52



(iv) Shareholding pattern as on 31.03.2023

Category	No of shares	% of Share Holding
Indian Promoters	22,59,176	53.38
Private Corporate bodies	1,49,145	3.52
Indian Public	14,19,815	33.55
HUF	55,747	1.32
NRIs	2,48,766	5.88
IEPF Authority	96,115	2.27
Trusts	1,240	0.03
NBFC	2,100	0.05
Grand Total	42,32,104	100.00

(v) Distribution of shareholding as on 31st March, 2023

Shareholding (Range)	No. of Share Holders	% of Shareholders	No. of Shares	% of Share Holding
1 - 500	3,251	85.67	3,83,099	9.05
501 - 1000	205	5.40	1,60,342	3.79
1001 - 2000	124	3.27	1,85,737	4.39
2001 - 3000	107	2.82	2,68,486	6.34
3001 - 4000	33	0.87	1,16,044	2.74
4001 - 5000	10	0.26	47,103	1.11
5001 - 10000	27	0.71	1,96,032	4.63
10001 and above	38	1.00	28,75,261	67.95
Total	3795	100.00	42,32,104	100.00

vi.	Dematerialisation of shareholding and liquidity	Number of shares dematerialized :40,56,403 Percentage : 95.85 % (Promoters have completely dematerialized their shareholdings)
vii.	Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity	Not Applicable
viii.	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 Pin: 642 109
x.	Address for Correspondence / Contact address for shareholder:	43 (Old No.62), Balasundaram Road Coimbatore 641 018, Tamil Nadu.

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. 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/invsubpdf/whistle-blower-policy-magna-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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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:

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

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 ₹ 12.35 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 on the compliance of non-mandatory requirements:

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

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. Credit Rating:

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

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

13. Certificate from CEO and CFO:

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

14. Code of Conduct:

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

15. Code for prevention of Insider Trading:

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

The Company has also formulated "The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (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/invsubpdf2020-01-29-r6la5e315e9e67790.pdf>

Declaration for code of conduct

I, N. Krishna Samaraj, Managing Director of Magna Electro Castings Limited, declare that all the members of the Board of Directors and Senior Management have, for the year ended March 31, 2023 affirmed compliance with the Code of Conduct laid down by the Board of Directors and Senior Management in terms of Regulation 26(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

By order of the Board
For MAGNA ELECTRO CASTINGS LIMITED

N. Krishna Samaraj
Managing Director
DIN: 00048547

Place : Coimbatore
Date : 30.05.2023

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

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, 2023 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, 2023.

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

Membership No.: FCS 960 C P No.: 411
Peer Review No. 3030/2023 dt: 20.03.2023
UDIN: F000960E000375719

Place : Coimbatore
Date : 30.05.2023

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, 2023** 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	Sri. 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

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 : 30.05.2023

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

Peer Review No. 3030/2023 dt: 20.03.2023

UDIN: F000960E000375268

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

MAGNA recognizes its role as a responsible corporate citizen to the Society at large and all the stakeholders involved in its day to day business activities. Magna would like to pursue above objective by following ethical business standards.

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

Industry structure and Development:

The Indian foundry industry manufactures casting components for various applications in Auto, Tractor, Railways, Infrastructure industries and others. The Indian Foundry Industry has a turnover of approx. USD 19 Billion. Exports account for approx. USD 3 Billion.

There are about 4500 foundries out of which nearly 80% fall under the MSME Segment. As per the latest reports, India occupies the 2nd spot in the world for manufacture of casting components.

Since the volume of exports is relatively negligible, there is vast scope for export of casting components.

Operations:

The Operating Revenue of the Company has increased by 21.20% from ₹ 13584.04 Lakhs in the previous year to ₹ 16464.29 Lakhs in the current year. Further the Profit Before Tax has also increased by 123.38% from ₹ 1034.90 Lakhs in the previous year to ₹ 2311.75 Lakhs in the current year. The increase in operating revenue and profitability was due to the pickup in both the Domestic Markets as well as the Export Markets. The Export Revenue has also registered an increase of 28.15% over the previous year.

The raw material cost were relatively stable during the financial year ended 31st March, 2023. However the power tariff was increased by TANGEDCO and this was resulted in a marginal increase of 3.5% in Power Cost.

The Wind Energy Division generated a revenue of ₹ 397.48 Lakhs during the year as against ₹ 461.13 Lakhs, in the previous year. One Wind Energy Generator 750 KW was disposed off during the financial year 2022-23.

During the year, the Company has invested ₹ 144 Lakhs in the equity shares of First Energy TN1 Private Limited for generation of Solar Power on a Captive User basis. This project was commissioned during the last week of December, 2022 and has since been generating Solar Power.

Opportunities:

The Indian Casting Production is expected to expand at an compounded Annual Growth rate of 12%. This is possible because of various initiatives by the Government and with the heavy investment in infrastructure related projects which are in pipeline. Under this circumstance, the Company has industrial growth opportunities to be capitalized in next couple of years.

Threats:

The highly volatile raw material cost coupled with lack of skilled manpower in critical operations are major threats to the Company. The container cost though it has come down from its peak level has negated the availability of Export market due to increased competitiveness.

Environment, Safety and Energy Conservation Policy:

The Company is constantly focusing its attention on Environment, Clean Energy, Safety and other related parameters. The Company is therefore constantly investing its resources in the above key areas. During the year, the Company has invested in Solar Power Generation Project for generation of Clean Energy. This is in addition to the existing Wind Energy Generators. The generation from this Solar Project as well as from the existing Wind Energy Generators will meet almost 90% of the Company's power demand at its existing capacity limits. The Company is also investing in Sand Reclamation Plants as a part of its drive to preserve precious natural resources like sand.

Risks and Concerns:

Availability of skilled manpower, especially after the post pandemic period is a real cause of concern. The Company is taking various steps to mitigate the risk area.

Internal control systems and their adequacy:

The Company has adequate Internal Financial Control Systems in place. It has also engaged the 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 monetarized at periodical intervals by the Audit Committee of the Board.

Personnel:

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

Key Financial Ratios:

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

Particulars	2022-23	2021-22
Trade Receivables Turnover Ratio	4.26	3.98
Trade Payables Turnover Ratio	4.87	5.40
Inventory Turnover Ratio	15.79	14.43
Working Capital Turnover Ratio	3.22	2.99
Interest Coverage Ratio	67.89 times	38.39 times
Current Ratio	3.24	2.73
Debt Equity Ratio	0.01	0.06
Operating Profit Margin	17.35%	11.25%
Net Profit Margin	10.40%	5.69%
Return on Net worth	18.15%	9.87%
Return on Capital Employed	24.86%	13.63%

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 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.

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 Ind AS Financial Statements of Magna Electro Castings Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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 Ind AS Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the 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, 2023, 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 Ind AS 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 Ind AS 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 Ind AS 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, Directors report and Management analysis including annexures thereon, but does not include the Ind AS 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 identified above when it becomes available 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 Ind AS 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 Ind AS 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, 2023 on its financial position in its Ind AS 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 56 to the Ind AS 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 Note 56 of the Ind AS 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 Ind AS 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.

(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 : 30.05.2023

C.S.Sathyanarayanan
Partner
Membership No.028328
UDIN: 23028328BGUEXP6267

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 Ind AS Financial Statements for the year ended 31st March 2023]

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) The Company has a regular programme of verification of property, plant and equipment, by which all the property, plant and equipment are verified in a phased manner over a period of three years. In accordance with the programme certain property, plant and equipment were verified during the year. This periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties, 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.
- (b) The Company has been sanctioned working capital limits in excess of ₹ 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 made investments in companies during the year, but not 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.
- (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year, and hence reporting under clause (iii)(a) and (iii)(c) to (f) of the Order is not applicable.
- (b) The investments made are not prejudicial to the Company's interests.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of investments made during the year.
- (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, 2023 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, 2023 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	Blocked Credit	27,85,885	July-17 to March-20	Office of the Commissioner of GST and Central Excise (Appeals)
Goods and Services Tax	Transitional Credit	29,44,321	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 not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (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) 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 upto March 2023.
- (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) 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 clause (xvi)(c) of the Order is not applicable.
- (c) There is no Core Investment Company within the group. Hence reporting under clause (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) (a) 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 : 30.05.2023

C.S.Sathyanarayanan
Partner
Membership No.028328
UDIN: 23028328BGUEXP6267

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, 2023]

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, 2023 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, 2023, 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: 23028328BGUEXP6267

Place : Coimbatore
Date : 30.05.2023

BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in lakhs)

Particulars	Notes	31.03.2023	31.03.2022
I. ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	3,870.63	3,081.45
Right-of-Use Assets	3	10.63	4.72
Capital Work-in-progress	4	91.59	72.41
Investment Property	5	152.82	160.53
Other Intangible Assets	6	5.74	0.80
Financial Assets			
i) Investments	7	144.00	-
ii) Other Financial Assets	8	224.12	150.02
Other Non-Current Assets	9	22.28	62.28
Total Non-Current Assets		4,521.81	3,532.21
Current Assets			
Inventories	10	934.94	1,151.07
Financial assets			
i. Trade receivables	11	3,819.50	3,916.17
ii. Cash and cash equivalents	12	159.43	26.21
iii. Bank balances other than (ii) above	13	2,043.98	1,465.20
iv. Other Financial Assets	14	71.22	41.71
Other Current Assets	15	372.36	566.27
Total Current Assets		7,401.43	7,166.63
TOTAL ASSETS		11,923.24	10,698.84
II. EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	423.21	423.21
Other equity	17	9,012.85	7,407.98
Total Equity		9,436.06	7,831.19
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
i) Lease liabilities	18	8.09	-
Provisions	19	33.02	38.05
Deferred Tax Liabilities (Net)	20	160.52	208.10
Total Non-Current Liabilities		201.63	246.15

BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in lakhs)

Particulars	Notes	31.03.2023	31.03.2022
Current Liabilities			
Financial Liabilities			
i) Borrowings	21	-	491.29
ii) Lease Liabilities	22	7.12	7.71
iii) Trade Payables	23		
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises		271.87	239.58
(b) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		978.18	936.72
iv) Other Financial Liabilities	24	898.38	835.88
Provisions	25	6.00	5.16
Other Current Liabilities	26	36.50	38.04
Current Tax Liabilities (Net)	27	87.50	67.12
Total Current Liabilities		2,285.55	2,621.50
TOTAL EQUITY AND LIABILITIES		11,923.24	10,698.84

Significant 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

K. Gnanasekaran
Director
DIN :00133645

R Ravi
Chief Financial Officer

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

N Krishna Samaraj
Managing Director
DIN : 00048547

Sangeetha C
Company Secretary
Membership No. A34056

C.S. Sathyanarayanan
Partner
Membership No. 028328

Coimbatore
30.05.2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in lakhs)

Particulars	Notes	31.03.2023	31.03.2022
Income			
Revenue from Operations	28	16,464.29	13,584.04
Other Income	29	329.34	163.43
Total Income		16,793.63	13,747.47
Expenses			
Cost of Materials Consumed	30	6,092.09	5,461.30
Changes in inventories of Finished Goods and Work in progress	31	45.02	(161.38)
Manufacturing Expenses	32	4,360.57	3,930.65
Employee Benefits Expense	33	1,651.99	1,465.96
Finance Costs	34	34.42	32.32
Depreciation and Amortization Expenses	35	550.37	458.88
Other Expenses	36	1,747.42	1,524.84
Total Expenses		14,481.88	12,712.57
Profit before tax		2,311.75	1,034.90
Tax expense			
Current Tax	37	646.58	300.00
Deferred Tax		(47.06)	(38.00)
Profit for the year		1,712.23	772.90
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of Post Employment Benefit Obligations		(2.08)	(15.97)
Income Tax relating to these items		0.52	4.00
Other Comprehensive Income for the year after tax		(1.56)	(11.97)
Total comprehensive income for the year		1,710.67	760.93
Earnings per equity share of ₹ 10 each			
Basic earnings per share	38	40.46	18.26
Diluted earnings per share		40.46	18.26

Significant 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

K. Gnanasekaran
Director
DIN :00133645

R Ravi
Chief Financial Officer

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

N Krishna Samaraj
Managing Director
DIN : 00048547

Sangeetha C
Company Secretary
Membership No. A34056

C.S. Sathyanarayanan
Partner
Membership No. 028328

Coimbatore
30.05.2023

STATEMENT OF CHANGES IN EQUITY

(₹ in lakhs)

A) Equity Share Capital

(1) 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 current period	Changes in equity share capital during the current year	Balance as at 31st March, 2023
423.21	-	423.21	-	423.21

(2) For the year ended 31st March, 2022

Balance as at 1st April, 2021	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, 2022
423.21	-	423.21	-	423.21

B) Other Equity

(1) For the year ended 31st March, 2023

Particulars	General Reserve	Retained Earnings	Capital Redemption Reserve	Other items of Other Comprehensive Income	Total
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)	-	-	-	-	-
Balance as at 31st March, 2023	4,000.00	4,961.80	35.01	16.04	9,012.85

(2) For the year ended 31st March, 2022

Particulars	General Reserve	Retained Earnings	Capital Redemption Reserve	Other items of Other Comprehensive Income	Total
Balance as at 1st April, 2021	3,600.00	3,045.95	35.01	29.57	6,710.53
Profit for the year		772.90	-	-	772.90
Other Comprehensive Income	-	-	-	(11.97)	(11.97)
Dividends	-	(63.48)	-	-	(63.48)
Transfer from retained earnings	200.00	(200.00)	-	-	-
Any other change (to be specified)	-	-	-	-	-
Balance as at 31st March, 2022	3,800.00	3,555.37	35.01	17.60	7,407.98

Significant 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

K. Gnanasekaran
Director
DIN :00133645

R Ravi
Chief Financial Officer

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

N Krishna Samaraj
Managing Director
DIN : 00048547

Sangeetha C
Company Secretary
Membership No. A34056

C.S. Sathyanarayanan
Partner
Membership No. 028328

Coimbatore
30.05.2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in lakhs)

Particulars	31.03.2023	31.03.2022
Cash flow from operating activities		
Net Profit before income tax	2,311.75	1,034.90
Adjustments for :		
Depreciation and Amortization Expenses	550.37	458.88
Bad debts written off	12.55	48.30
VAT refund written off	5.15	-
Expected credit loss	23.57	-
(Profit) / Loss on sale / disposal of Property, Plant and Equipment (Net)	(205.98)	-
Amortization of government grant	-	(8.04)
Interest Received	(101.00)	(109.14)
Finance Costs	34.42	32.32
Change in Assets and Liabilities		
Other Bank balances	(578.78)	(0.59)
Trade receivables and Unbilled Revenue	60.54	(1,048.38)
Inventories	216.13	(419.26)
Trade payables	73.76	267.86
Other Financial Assets	(103.61)	(90.28)
Other Non-Current Assets	40.00	(45.47)
Other Current Assets	188.76	(104.85)
Provisions		
Employee Benefit Obligations	(6.25)	(4.06)
Other Financial Liabilities	62.50	105.35
Other Current Liabilities	(1.54)	8.06
Cash generated from operations	2,582.34	125.60
Income taxes paid	(626.20)	(246.59)
Net cash generated by operating activities (A)	1,956.14	(120.99)
Cash flows from investing activities		
Purchase of property, plant and equipment	(431.22)	(95.44)
Purchase of intangible assets	(5.78)	-
Additions to CWIP	(921.24)	(327.98)
Sale of property, plant and equipment	212.69	-
Interest Received	101.00	109.14
Investment made during the year	(144.00)	-
Net cash (used in) / from investing activities (B)	(1,188.55)	(314.28)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in lakhs)

Particulars	31.03.2023	31.03.2022
Cash flows from financing activities		
Proceeds from / (Repayment of) Current Borrowings (Net)	(491.29)	491.29
Finance Costs Paid	(31.58)	(32.32)
Repayment of Lease Liability	(5.70)	(5.74)
Dividends paid to Company's shareholders	(105.80)	(58.29)
Dividend Tax paid	-	(5.19)
Net cash from / (used in) financing activities (C)	(634.37)	389.75
Net increase (decrease) in cash and cash equivalents (A+B+C)	133.22	(45.52)
Cash and cash equivalents at the beginning of the financial year	26.21	71.73
Cash and cash equivalents at end of the year	159.43	26.21

Significant 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
K. Gnanasekaran Director DIN :00133645	R Ravi Chief Financial Officer	For VKS Aiyer & Co. Chartered Accountants ICAI Firm Regn. No. 000066S
N Krishna Samaraj Managing Director DIN : 00048547	Sangeetha C Company Secretary Membership No. A34056	C.S. Sathyanarayanan Partner Membership No. 028328
Coimbatore 30.05.2023		

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023**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 30th May, 2023.

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, 2023 were authorised and approved for issue by the Board of Directors on 30th May, 2023.

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.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on the basis stated above and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use under Ind AS 36. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(i) USE OF ESTIMATES:

The preparation of Financial Statements is in conformity with Generally Accepted Accounting Principles which require the management of the Company to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgments and the use of assumptions in these Financial Statements have been disclosed separately under the heading "Significant accounting Judgements, estimates and assumptions".

(ii) CURRENT AND NON-CURRENT CLASSIFICATION

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

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(iii) 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.

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.

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:

Class of Assets	Useful Lives
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

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.

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.

(iv) 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.

(v) IMPAIRMENT OF NON FINANCIAL ASSETS:

The Company periodically assesses whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs 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.

(vi) INVENTORIES

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

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

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.

(vii) 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.

(viii) 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.

(ix) 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.

a. 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 an 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.

b. 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 between with a lender of debt instruments with substantially different terms 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.

c. 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.

d. 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.

(x) REVENUE RECOGNITION

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

Revenue from contracts with customers are recognised when the Company satisfies a performance obligation by transfer of control to the customer of the promised goods or services

Revenue from sale of goods are recognised when control of the 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 or services.

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

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.

(xi) 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.

(xii) 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.

(xiii) 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.

(xiv) 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.

(xv) 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 an 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.

(xvi) 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.

(xvii) 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.

(xviii) INVESTMENT PROPERTY

Investment property is a land 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.

D SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the course of applying the policies outlined in all notes under Section C 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'.

E RECENT ACCOUNTING PRONOUNCEMENTS:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, which shall come into force with effect from April 1, 2023, as given below

Ind AS 1 - Presentation of Financial Statements

Companies are now required to disclose material accounting policies instead of significant accounting policies. Accounting policy information considered together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. Accounting policy information that relates to immaterial transactions, other events or conditions need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. On account of the amendment to Ind AS 1 consequential amendment have been made in Ind AS 107, Financial Instrument Disclosures and Ind AS 34, Interim Financial Reporting

Ind AS 8 - Accounting policies, Change in Accounting Estimates and Errors

The definition of change in accounting estimate starting with the words "A change in" and ending with the words "corrections of errors" shall be substituted with "Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty". The amendment states that a Company develops an accounting estimate to achieve the objective set out by an accounting policy. As per the amendment, measurement techniques and inputs are used to develop an accounting estimate. Measurement techniques include estimation techniques and valuation techniques. .

Ind AS 12 - Income Taxes

As per the amendment, a deferred tax liability or asset is not required to be recognised from Initial recognition of goodwill or Initial recognition of an asset or liability arising in a transaction which is not a business combination; at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss); and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. On account of the amendment to Ind AS 12, consequential amendments have been made in Ind AS 101, First-time Adoption of Indian Accounting Standards.

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

2 Property, Plant and Equipment

Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer	Total
Gross carrying value								
As at 1st April, 2021	189.31	1,221.58	3,606.43	31.19	64.49	85.72	47.73	5,246.45
Additions during the year	-	38.50	527.45	0.39	-	4.23	6.88	577.45
Deletions during the year	-	-	-	-	-	0.71	-	0.71
As at 31st March, 2022	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
As at 31st March, 2023	558.09	2,001.11	4,311.48	38.50	70.08	100.01	62.99	7,142.26
Accumulated Depreciation								
As at 1st April, 2021	-	254.45	1,937.67	16.96	29.40	21.46	36.17	2,296.11
Depreciation for the year	-	51.19	369.05	1.71	10.51	6.24	6.93	445.63
Withdrawn during the year	-	-	-	-	-	-	-	-
As at 31st March, 2022	-	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
As at 31st March, 2023	-	376.24	2,710.65	20.63	41.77	74.85	47.49	3,271.63
Net Carrying value								
As at 31st March, 2022	189.31	954.44	1,827.16	12.91	24.58	61.54	11.51	3,081.45
As at 31st March, 2023	558.09	1,624.87	1,600.83	17.87	28.31	25.16	15.50	3,870.63

(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.

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	Buildings
3 Right-of-Use Assets	
Gross Carrying Value	
As at 1st April, 2021	23.09
Additions during the year	-
Deletions during the year	-
As at 31st March, 2022	23.09
Additions during the year	10.35
Deletions during the year	-
As at 31st March, 2023	33.44
Accumulated Depreciation	
As at 1st April, 2021	12.83
Depreciation for the year	5.54
Withdrawn during the year	-
As at 31st March, 2022	18.37
Depreciation for the year	4.44
Withdrawn during the year	-
As at 31st March, 2023	22.81
Net Carrying Value	
As at 1st April, 2021	10.26
As at 31st March, 2022	4.72
As at 31st March, 2023	10.63

4 Capital Work-in-progress

Particulars	Building	Plant & Machinery	Others	Total
Gross carrying value				
As at 1st April, 2021	226.44	-	-	226.44
Additions during the year	72.41	255.57	-	327.98
Deletions during the year	226.44	255.57	-	482.01
As at 31st March, 2022	72.41	-	-	72.41
Additions during the year	663.77	257.47	-	921.24
Deletions during the year	727.93	174.13	-	902.06
As at 31st March, 2023	8.25	83.34	-	91.59

Disclosure Regarding CWIP
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	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

As at 31st March, 2022

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	72.41	-	-	-	72.41
-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
Gross carrying value			
As at 1st April, 2021	2.22	204.57	206.79
Additions during the year	-	-	-
Deletions during the year	-	-	-
As at 31st March, 2022	2.22	204.57	206.79
Additions during the year	-	-	-
Deletions during the year	-	-	-
As at 31st March, 2023	2.22	204.57	206.79
Accumulated Depreciation and Impairment			
As at 1st April, 2021	-	38.55	38.55
Depreciation for the year	-	7.71	7.71
Withdrawn during the year	-	-	-
As at 31st March, 2022	-	46.26	46.26
Depreciation for the year	-	7.71	7.71
Withdrawn during the year	-	-	-
As at 31st March, 2023	-	53.97	53.97
Net Carrying value			
As at 1st April, 2021	2.22	166.02	168.24
As at 31st March, 2022	2.22	158.31	160.53
As at 31st March, 2023	2.22	150.60	152.82

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 31.03.2023 as determined by the Government for the location at which the property is situated and adjusted for the depreciated value of buildings.

6 Other Intangible Assets

Particulars	Computer Software
Gross Carrying Value	
As at 1st April, 2021	3.55
Additions during the year	-
Deletions during the year	-
As at 31st March, 2022	3.55
Additions during the year	5.78
Deletions during the year	-
As at 31st March, 2023	9.33
Accumulated Amortisation	
As at 1st April, 2021	2.75
Amortization for the year	-
Withdrawn during the year	-
As at 31st March, 2022	2.75
Amortization for the year	0.84
Withdrawn during the year	-
As at 31st March, 2023	3.59
Net Carrying Value	
As at 1st April, 2021	0.80
As at 31st March, 2022	0.80
As at 31st March, 2023	5.74

Particulars	31.03.2023	31.03.2022
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 (Previous Year- Nil), (Extent of Holding - 6.55%)	144.00	-
Total	144.00	-
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	144.00	-
Aggregate amount of impairment in value of investments	-	-
8 Other Financial Assets		
Security deposits*	224.12	150.02
Total	224.12	150.02

*Security deposits comprises of deposits given for service providers such as electricity, telephone etc.,

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2023	31.03.2022
9 Other Non-Current Assets		
Capital advances	22.28	62.28
Total	22.28	62.28
10 Inventories		
Raw Materials	254.75	435.76
Work-in-progress	291.93	322.83
Finished Goods	95.40	109.52
Stores and Spares	292.86	282.96
Total	934.94	1,151.07
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	6,092.09	5,461.30
- Consumption of Stores & Spares	191.15	109.55
Total	6,283.24	5,570.85
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.		
11 Trade receivables		
<i>Unsecured</i>		
Trade Receivable Considered good	3,843.07	3,904.26
Less : Provision for Expected Loss (Refer Note No.43 for dues from related parties)	(23.57)	-
Unbilled Revenue	-	11.91
Total	3,819.50	3,916.17

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	31.03.2023	31.03.2022
Movement in Expected Credit loss		
Opening Balance	-	-
Provision for the year	23.57	-
Closing Balance	23.57	-

Term Trade Receivables Ageing Schedule as at 31st March, 2023

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
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	-	-	-	-	-	-	-
Total	2,170.35	1,651.22	21.23	0.27	-	-	3,843.07
Allowance for Expected Credit Loss		-	-	-	-	-	23.57
Total							3,819.50

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Term Trade Receivables Ageing Schedule as at 31st March, 2022

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	2,166.91	1,704.97	31.72	12.57	-	-	3,916.17
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	-	-	-	-	-	-	-
Total	2,166.91	1,704.97	31.72	12.57	-	-	3,916.17
Allowance for Expected Credit Loss		-	-	-	-	-	-
Total							3,916.17

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2023	31.03.2022
12 Cash and cash equivalents		
Balances with banks		
- In Current accounts	159.14	25.85
Cash on hand	0.29	0.36
Total	159.43	26.21
13 Bank balances other than above		
Earmarked Balances		
- In Unpaid Dividend Account	18.20	19.10
- In Margin Money Account	30.50	29.12
Others		
In Fixed Deposit (with original maturity period of more than 3 months and less than 12 months)	1,995.28	1,416.98
Total	2,043.98	1,465.20
Notes:		
Margin Money with banks is towards of Bank Guarantee and Letter of Credit		
14 Other Financial assets		
Export Incentive Receivable	25.89	6.62
Interest Receivable	45.33	35.09
Total	71.22	41.71
15 Other current assets		
Advances for Expenses	11.35	27.99
Advance to Suppliers	39.91	50.16
Employee Advances	0.52	0.36
Other Advances	1.20	1.20
Prepaid expenses	77.11	97.20
Gratuity asset	1.66	-
Receivable from statutory authorities	240.61	389.36
Total	372.36	566.27

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

16 Equity share capital

Particulars	31.03.2023		31.03.2022	
	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	500.00	50,00,000	500.00
Issued and Subscribed Capital				
Equity shares of ₹10/- each fully paid	42,32,104	423.21	42,32,104	423.21
	42,32,104	423.21	42,32,104	423.21

As at 31st March, 2023 - Shares held by Promoters & 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%

As at 31st March, 2022 - Shares held by Promoters & 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	6,59,091	15.57%	(15.00%)
3	Nivedita Lakshmi Narayanaswamy	2,30,000	5.43%	0.00%
4	Ranganayaki N	2,08,000	4.91%	6.67%
5	Ajeya Vel Narayanaswamy	1,73,000	4.09%	302.33%
6	Krishna Samaraj N	86,130	2.04%	11.86%
7	Mahitha Vijayakumar	77,855	1.84%	244.49%
8	Vijayakumar Venkatkumar	45,000	1.06%	0.00%
9	Janardhana Naidu Vijayakumar	10,100	0.24%	0.00%
10	Aditya Vijayakumar	-	-	(100.00%)

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.

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

b. Reconciliation of shares outstanding at the beginning and at the end of the period

Particulars	31.03.2023		31.03.2022	
	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	31.03.2023		31.03.2022	
	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%	6,59,091	15.57%
Ajeya Vel Narayanawamy	3,63,000	8.58%	1,73,000	4.09%
Nivedita Lakshmi Narayanaswamy	2,30,000	5.43%	2,30,000	5.43%
Ranganayaki N	2,25,000	5.32%	2,08,000	4.91%

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 ₹ 10 each at a price of ₹ 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 ₹ 35.01 lakhs has been transferred to Capital Redemption Reserve from the surplus in the statement Profit & Loss / General Reserve in Financial Year 2020-21. The aggregate expenses incurred for the Buy-Back was ₹ 44.77 lakhs. This amount is written off under Other Expenses during the Financial Year 2020-21.

Particulars	31.03.2023	31.03.2022
17 Other Equity		
General Reserve		
Opening balance	3,800.00	3,600.00
Add: Addition during the year	200.00	200.00
(A)	<u>4,000.00</u>	<u>3,800.00</u>
Capital Redemption Reserve		
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	31.03.2023	31.03.2022
Surplus in the Statement of Profit & Loss		
Opening balance	3,555.37	3,045.95
Add: Profit/(Loss) for the year	1,712.23	772.90
Less: Appropriation to General Reserve	(200.00)	(200.00)
Less: Appropriation to Capital Redemption Reserve	-	-
Less: Dividends	(105.80)	(63.48)
(C)	4,961.80	3,555.37
Other Comprehensive Income		
Opening balance	17.60	29.57
Add: Addition during the year	(1.56)	(11.97)
(D)	16.04	17.60
Total (A+B+C+D)	9,012.85	7,407.98
18 Lease Liabilities		
Lease Liabilities	8.09	-
Total	8.09	-
19 Provisions		
Provision for Leave Encashment (Refer Note :39)	33.02	28.87
Provision for Gratuity (Refer Note : 39)	-	9.18
Total	33.02	38.05
20 Deferred Tax Liabilities (Net)		
Deferred tax liability		
On Property, Plant and Equipment	171.84	218.90
(A)	171.84	218.90
Deferred tax asset		
On expenses allowable against taxable income in future years	11.32	10.80
(B)	11.32	10.80
Deferred Tax Liabilities (Net)	(A-B)	208.10
	160.52	208.10

Statement of changes in Deferred Tax Assets/ Liabilities

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
Deferred tax liability (A)				
On Property, Plant and Equipment	218.90	(47.06)	-	171.84
	218.90	(47.06)	-	171.84
Deferred tax asset (B)				
On expenses allowable against taxable income in future years	10.80		0.52	11.32
	10.80	-	0.52	11.32
Total (A-B)	208.10	(47.06)	(0.52)	160.52

Particulars	31.03.2022			
	As at 1st April, 2021	Recognized in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at 31st March, 2022
Deferred tax liability (A)				
On Property, Plant and Equipment	247.23	(28.33)	-	218.90
	247.23	(28.33)	-	218.90
Deferred tax asset (B)				
On expenses allowable against taxable income in future years	(2.87)	9.67	4.00	10.80
	(2.87)	9.67	4.00	10.80
Total (A-B)	250.10	(38.00)	(4.00)	208.10

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2023	31.03.2022
21 Borrowings		
<i>Secured Loans</i>		
<i>Loans repayable on demand</i>		
From banks		
- Cash Credit	-	296.44
- Bill Discounting	-	194.85
Total	-	491.29

Note :

Working capital facilities are secured by first and second pari-passu charge respectively to Union Bank of India and Axis Bank on the current assets and unencumbered fixed assets of the Company.

Working capital facilities are further secured by first and second pari-passu charge respectively on the specific immovable properties situated at SF.No. 35, 35/1A of Mullupadi Village, Tamaraikulam, 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+ 4.0%, UBI- REPO+4.55%

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	7.12	7.71
Total	7.12	7.71

23 Trade Payables

Total Outstanding dues of Micro Enterprises and Small Enterprises	271.87	239.58
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	978.18	936.72
Total	1,250.05	1,176.30

Note:

Steps have been taken to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006.

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	271.81	-	-	-	271.87
Others	933.50	44.68	-	-	978.18
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Total	1,205.37	44.68	-	-	1,250.05

Ageing of Trade Payables as at 31.03.2022

Particulars	Less than 1 year	1 year- 2 years	2 years- 3 years	More than 3 years	Total
Micro Enterprises and Small Enterprises	239.58	-	-	-	239.58
Others	936.72	-	-	-	936.72
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Total	1,176.30	-	-	-	1,176.30

Particulars	31.03.2023	31.03.2022
24 Other Financial Liabilities		
Unpaid Dividend	18.20	19.10
Employee Benefits payable	216.90	148.94
Retention Money Payable	20.02	8.02
Creditors for Capital Assets	155.22	11.46
Creditors for Expenses*	393.26	601.83
Other Payables & Accruals	94.78	46.53
Total	898.38	835.88
* Creditors for Expenses include Payable to related party refer Note : 43		
25 Provisions		
Provision for Leave Encashment	6.00	5.16
Total	6.00	5.16
26 Other Current Liabilities		
Statutory Dues Payable	36.16	38.01
Advance From Customers	0.34	0.03
Total	36.50	38.04
27 Current Tax Liabilities (Net)		
Current tax Liability (Net)	67.12	13.71
Add: Current tax payable for the year	646.58	300.00
Less: Taxes paid	626.20	246.59
Total	87.50	67.12

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2023	31.03.2022
28 Revenue from Operations		
Sale of Products	16,031.52	13,308.06
(A)	16,031.52	13,308.06
Other operating revenue		
Export Incentives	135.89	146.11
Foreign Exchange gain (Net)	220.66	81.30
Scrap Sales	76.22	48.57
(B)	432.77	275.98
Total (A+B)	16,464.29	13,584.04
Details of product sold:		
Export Sales:		
Sale of Castings	7,509.02	5,866.06
Sale of Patterns and Tools	137.07	100.64
(A)	7,646.09	5,966.70
Domestic Sales:		
Sale of Castings	8,130.26	7,253.80
Sale of Patterns and Tools	255.17	87.56
(B)	8,385.43	7,341.36
Total (A+B)	16,031.52	13,308.06
29 Other Income		
Interest Receipts	101.00	109.14
Profit on Sale of Fixed Assets	170.81	-
Profit on Sale of Land	35.18	-
Lease Rental Receipts	21.00	21.00
Government Grant	-	8.04
Insurance Claim Received	-	1.19
Miscellaneous Income	1.35	24.06
Total	329.34	163.43
30 Cost of Materials Consumed		
Opening stock	435.76	271.27
Add: Purchases (including Imported)	5,911.08	5,625.79
	6,346.84	5,897.06
Less: Closing stock	254.75	435.76
Cost of Materials Consumed	6,092.09	5,461.30

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	2022-2023		2021-2022	
	% of consumption	Amount	% of consumption	Amount
Indigenous	98%	5,804.86	98%	5,507.73
Imports	2%	106.22	2%	118.06
Total	100%	5,911.08	100%	5,625.79

Particulars	31.03.2023	31.03.2022
31 Changes in inventories of Finished Goods and Work in progress		
Closing Stock of Inventory		
Work-in-progress	291.93	322.83
Finished goods	95.40	109.52
	387.33	432.35
Opening Stock of Inventory		
Work-in-progress	322.83	236.18
Finished goods	109.52	34.79
	432.35	270.97
Net (Increase) / Decrease in inventories of finished goods and Work in progress	45.02	(161.38)
32 Manufacturing Expenses		
Machining Charges	2,228.10	2,054.03
Power and Utilities (Net)	1,111.50	1,032.63
Processing Charges	810.03	725.94
Pattern Making Charges	210.94	118.05
Total	4,360.57	3,930.65
33 Employee Benefits Expense		
Salaries, Wages and Bonus	1,445.66	1,270.12
Contributions to provident and other funds	80.33	67.08
Staff Welfare Expenses	126.00	128.76
Total	1,651.99	1,465.96
34 Finance Costs		
Interest on Borrowings (Net)	3.35	25.03
Interest on lease obligations	4.98	1.70
Bill Discounting Charges	3.02	0.42
Interest on Income Tax	5.82	0.46
Other Borrowing Costs	17.25	4.71
Total	34.42	32.32

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2023	31.03.2022
35 Depreciation and Amortization Expenses		
Depreciation of Property, Plant & Equipment (Refer Note: 2)	537.38	445.63
Depreciation of Investment property (Refer Note: 5)	7.71	7.71
Amortisation of Intangible Asset (Refer Note:6)	0.84	-
Amortisation of Right of Use Asset (Refer Note: 3)	4.44	5.54
Total	550.37	458.88
36 Other Expenses		
<u>Repairs and maintenance</u>		
Machinery	549.35	507.36
Building	91.44	66.90
Stores & Spares Consumed	191.15	109.55
Insurance	39.18	46.27
Licence, Rates and Taxes	14.02	11.69
Charity & Donation	10.25	1.78
Bad Debts Written Off	12.55	48.30
Legal & Professional Charges	40.95	29.09
Clearing & Forwarding Charges	47.69	71.05
Packing Material	411.97	392.50
Auditor's Remuneration (Refer Note 36 (a))	12.35	10.80
Corporate Social Responsibility Expenditure (Refer Note 36 (b))	17.24	20.35
Miscellaneous Expenses	309.28	209.20
Total	1,747.42	1,524.84
36 (a) Payment to the Auditors (Exclusive of GST)		
For Audit	9.00	9.00
For Taxation matters	2.85	1.80
For Certification and Others	0.50	-
Total	12.35	10.80
36 (b) Corporate Social Responsibility Expenditure		
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	17.24	20.35
Amount spent through Trusts / Implementing Agencies	-	-
Amount spent directly	17.24	20.35
	17.24	20.35

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2023	31.03.2022
Amount spent during the year towards		
(i) Construction of an asset	-	-
(ii) On purpose other than (i) above	-	-
1) Healthcare	-	-
2) Covid Care	17.24	20.35
3) Women and Children Welfare	-	-
4) Education	-	-
Closing Gross Amount required to be spent by the Company towards CSR Activities	-	-
37 Tax Expense		
(a) Income tax expenses		
Current Tax		
Current tax on profit for the year	646.58	300.00
(A)	646.58	300.00
Deferred Tax		
Decrease /(increase) in deferred tax assets	-	9.67
(Decrease) /increase in deferred tax liabilities	47.06	28.33
(B)	47.06	38.00
Tax expense recognized in Statement of Profit and Loss		
TOTAL (A-B)	599.52	262.00
Tax expense recognized in Other Comprehensive Income (C)	(0.52)	(4.00)
Total Tax Expense [B+C]	599.00	258.00
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	2,311.75	1,034.90
Tax at the Indian tax rate of 25.168% (2021-2022 – 25.168%)	581.82	260.46
<u>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</u>		
- On Account of Corporate Social Responsibility expenditure	6.92	5.57
- Others	10.78	(4.03)
Income tax expense	599.52	262.00

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.

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2023	31.03.2022
38 Earnings Per Share		
Profit after tax attributable to equity share holders (₹)	1,712.23	772.90
Total number of equity shares outstanding at balance sheet date	42,32,104	42,32,104
Weighted average number of equity shares outstanding, considered for the purpose of computing EPS	42,32,104	42,32,104
Face value per equity share (₹)	10	10
Basic and diluted earnings per share (₹)	40.46	18.26

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	2022-23	2021-22
Employer's Contribution to Provident Fund	59.80	39.73

Particulars	2022-23	2021-22
Defined Contribution Plan towards Key Managerial Personnel	13.90	9.07

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	31.03.2023	31.03.2022
I. PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]		
Discount Rate	7.16%	6.86%
Rate of increase in compensation levels	7.00%	7.00%
Attrition Rate	10.00%	10.00%
Expected rate of return on Plan Assets	7.16%	6.86%
All amounts are in Lakhs Rupees		
II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO)		
PVO as at the beginning of the period	186.91	160.61
Interest Cost	12.31	9.85
Current service cost	16.98	14.78
Past service cost	-	-
Benefits paid and Charges deducted	(15.08)	(16.28)
Actuarial loss/(gain) on obligation (balancing figure)	2.64	17.95
PVO as at the end of the period	203.76	186.91
III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS - RECONCILIATION OF OPENING AND CLOSING BALANCES:		
Fair value of plan assets as at the beginning of the period	177.73	176.29
Expected return on plan assets	12.69	11.01
Contributions	29.52	4.72
Benefits paid and Charges deducted	(15.08)	(16.27)
Actuarial gain/(loss) on plan assets [balancing figure]	0.57	1.98
Fair value of plan assets as at the end of the period	205.43	177.73
IV. ACTUAL RETURN ON PLAN ASSETS		
Expected return on plan assets	12.69	11.01
Actuarial gain (loss) on plan assets	0.57	1.98
Actual return on plan assets	13.26	12.99
V. ACTUARIAL GAINS AND LOSSES RECOGNIZED		
Actuarial gain (loss) for year - obligation	(2.64)	(17.95)
Actuarial gain (loss) for year - plan assets	0.57	1.98
Subtotal	(2.07)	(15.97)
Actuarial (gain) / loss recognized	2.07	(15.97)
Unrecognized actuarial gains (losses) at the end of the period	-	-

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2023	31.03.2022
VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSES		
Present value of the obligation	203.77	186.91
Fair value of plan assets	205.43	177.73
Amount determined under para 63 of Ind AS19	(1.66)	9.18
Net Defined Benefit Liability recognized in the balance sheet	-	9.18
Present value of future reduction in contribution under para 65 of Ind AS 19	1.66	-
Net Defined Benefit Asset recognised under para 64 of Ind AS19	1.66	-
VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:		
Current service cost	16.98	14.78
Net Interest on Net Defined Benefit Obligations	(0.38)	(1.17)
Net actuarial (gain)/loss recognised during the period	-	-
Past service cost	-	-
Expenses recognized in the statement of profit and loss	16.60	13.61
VIII. AMOUNT RECOGNIZED FOR THE CURRENT PERIOD IN THE STATEMENT OF OTHER COMPREHENSIVE INCOME [OCI]		
Actuarial (gain)/loss on Plan Obligations	2.64	17.95
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	(0.57)	(1.98)
Effect of Balance Sheet asset limit	-	-
Amount recognized in OCI for the current period	2.07	15.97
IX. MOVEMENTS IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET		
Opening net liability adjusted for effect of balance sheet limit	9.18	(15.68)
Amount recognised in Profit and Loss	16.60	13.61
Amount recognised in OCI	2.08	15.97
Contribution paid	(29.52)	(4.72)
Closing net liability	(1.66)	9.18
X. AMOUNT FOR THE CURRENT PERIOD		
Present Value of obligation	203.77	186.91
Plan Assets	205.43	177.73

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2023	31.03.2022
Surplus (Deficit)	1.66	(9.18)
Experience adjustments on plan liabilities -(loss)/gain	(6.08)	(12.76)
Impact of Change in Assumptions on Plan Liabilities-(loss)/gain	3.44	(5.19)
Experience adjustments on plan assets -(loss)/gain	0.57	1.98
(ii) Compensated absences		
I. PRINCIPAL ACTUARIAL ASSUMPTIONS		
[Expressed as weighted averages]		
Discount Rate	7%	7%
Rate of increase in compensation levels	7%	7%
Attrition Rate	10%	10%
Expected rate of return on Plan Assets	0%	0%
II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO)		
PVO as at the beginning of the period	34.03	31.29
Interest Cost	2.21	1.62
Current service cost	5.87	5.11
Past service cost	-	-
Benefits paid	(3.55)	(12.69)
Actuarial loss/(gain) on obligation (balancing figure)	0.47	8.70
PVO as at the end of the period	39.03	34.03
III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS - RECONCILIATION OF OPENING AND CLOSING BALANCES:		
Fair value of plan assets as at the beginning of the period	-	-
Expected return on plan assets	-	-
Contributions	3.55	12.69
Benefits paid	(3.55)	(12.69)
Actuarial gain/(loss) on plan assets [balancing figure]	-	-
Fair value of plan assets as at the end of the period	-	-
IV. ACTUAL RETURN ON PLAN ASSETS		
Expected return on plan assets	-	-
Actuarial gain (loss) on plan assets	-	-
Actual return on plan assets	-	-

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2023	31.03.2022
V. ACTUARIAL GAINS AND LOSSES RECOGNIZED		
Actuarial gain (loss) for year - obligation	(0.47)	(8.70)
Actuarial gain (loss) for year - plan assets	-	-
Subtotal	(0.47)	(8.70)
Actuarial (gain) / loss recognized	0.47	8.70
Unrecognized actuarial gains (losses) at the end of the period	-	-
VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSES		
Present value of the obligation	39.04	34.03
Fair value of plan assets	-	-
Difference	39.04	34.03
Liability recognized in the balance sheet	39.04	34.03
VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:		
Current service cost	5.87	5.11
Interest on obligation	2.21	1.62
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised during the period	0.47	8.70
Past service cost	-	-
Expenses recognized in the statement of profit and loss	8.55	15.43
VIII. MOVEMENTS IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET		
Opening net liability	34.03	31.29
Expense as above	8.56	15.43
Contribution paid	(3.55)	(12.69)
Closing net liability	39.04	34.03
IX. AMOUNT FOR THE CURRENT PERIOD		
Present Value of obligation	39.04	34.03
Plan Assets	-	-
Surplus (Deficit)	(39.40)	(34.03)
Experience adjustments on plan liabilities - (loss)/gain	(1.55)	(7.55)
Impact of change in assumptions on plan liabilities - (loss) / gain	0.68	(1.16)
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, 2023 were as follows:

Particulars	Note No.	FVTPL	FVTOCI	Cost / Amortised cost	Total Carrying value	Total Fair value
Financial assets						
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
Financial Liabilities						
Borrowings	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

The carrying value of financial instruments by categories as at 31st March, 2022 were as follows:

Particulars	Note No.	FVTPL	FVTOCI	Cost / Amortised cost	Total Carrying value	Total Fair value
Financial assets						
Investments	-	-	-	-	-	-
Trade receivables	11	-	-	3,916.17	3,916.17	3,916.17
Cash and cash equivalents	12	-	-	26.21	26.21	26.21
Other bank balances	13	-	-	1,465.20	1,465.20	1,465.20
Other Financial assets	8 & 14	-	-	191.73	191.73	191.73
Financial Liabilities						
Borrowings	18,21 & 22	-	-	499.00	499.00	499.00
Trade payables	23	-	-	1,176.30	1,176.30	1,176.30
Other financial liabilities	24	-	-	835.88	835.88	835.88

- 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

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 31.03.2023	As at 31.03.2023			Carrying Amount as on 31.03.2022	As at 31.03.2022		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets measured at Fair value through Other Comprehensive Income								
Equity Instruments	144.00	-	-	144.00	-	-	-	-
Financial Assets not measured at Fair value*								
Trade receivables	3,819.50	-	-	-	3,916.17	-	-	-
Cash and cash equivalents	159.43	-	-	-	26.21	-	-	-
Other bank balances	2,043.98	-	-	-	1,465.20	-	-	-
Other Financial assets	295.34	-	-	-	191.73	-	-	-
Financial Liabilities measured at fair value								
Lease Liabilities	15.21	-	-	15.21	7.71	-	-	7.71
Financial Liabilities not measured at fair value*								
Borrowings								
- Current	-	-	-	-	491.29	-	-	-
Trade payables	1,250.05	-	-	-	1,176.30	-	-	-
Other financial liabilities	898.38	-	-	-	835.88	-	-	-

* 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. (ix) of significant accounting policies.

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

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

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, 2023 and 31st March, 2022 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. 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.

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Classification of Financial assets among risk categories:

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	-	-	-

As at 31st March, 2022

<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	5,449.29	-	5,449.29
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, 2023</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	-	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
Total	-	2,155.54	8.09	-	2,163.64

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

31st March, 2022	On Demand	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	-	499.00	-	-	499.00
Trade payables	-	1,176.30	-	-	1,176.30
Other financial liabilities excluding Current Maturities of Long Term Debt	-	835.88	-	-	835.88
Total	-	2,511.18	-	-	2,511.18

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	31.03.2023	31.03.2022
<i>Floating Rate</i>		
Expiring within one year (Cash Credit & Bills Discounting)	2,000.00	2,000.00
Total	2,000.00	2,000.00

The bank cash credit facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR and have an average maturity of 1 year.

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	31st March, 2023		
	EUR	USD	GBP
Financial Assets	148.29	1,880.72	37.65
Financial Liabilities	-	44.42	-

Particulars	31st March, 2022		
	EUR	USD	GBP
Financial Assets	203.66	1307.57	24.78
Financial Liabilities	-	-	-

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, 2023</i>	<i>31st March, 2022</i>
INR/USD Increases by 5%	91.81	65.38
INR/USD Decreases by 5%	(91.81)	(65.38)
<i>EUR Sensitivity</i>	<i>31st March, 2023</i>	<i>31st March, 2022</i>
INR/EUR Increases by 5%	7.41	10.18
INR/EUR Decreases by 5%	(7.41)	(10.18)
<i>GBP Sensitivity</i>	<i>31st March, 2023</i>	<i>31st March, 2022</i>
INR/GBP Increases by 5%	1.88	1.24
INR/GBP Decreases by 5%	(1.88)	(1.24)

* 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.

Particulars	31.03.2023	31.03.2022
Borrowings (long-term and short-term, including current maturities of long term borrowings)	-	491.29
Less: Cash and cash equivalents	159.43	26.21
Less: Other Bank Balances (Balances with maturity more than 3 months)	2,043.98	1,465.20
Less: Margin Money against Borrowings	-	-
Net Debt / (Surplus) (A)	(2,203.41)	(1,000.12)
Equity Share Capital	423.21	423.21
Other Equity	9,012.85	7,407.98
Total Equity (B)	9,436.05	7,831.19
Net Debt to Equity Ratio (A) / (B) X 100	-	-

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.

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

(b) Dividends

In respect of the year ended 31st March 2023, the Directors propose that a dividend of ₹ 3.00/- per share (30% 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 ₹ 126.96 Lakhs.

43 Related Party Disclosures:**A. Related Party Relationships:**

- | | |
|---|---|
| 1.Key Management Personnel | 1. Sri. N Krishna Samaraj - Managing Director |
| | 2. Sri. K Gnanasekaran - Independent Director |
| | 3. Sri. J Vijayakumar - Non- Independent Director |
| | 4. Dr. R Nandini - Independent Director |
| | 5. Dr. Jairam Varadaraj - Independent Director |
| | 6. Sri. G D Rajkumar - Independent Director |
| | 7. Sri. M Malmarugan- Executive Director |
| | 8. Sri. R Ravi- Chief Financial Officer |
| | 9. Smt. Sangeetha C- Company Secretary |
| 2.Relatives of Key Management Personnel | 1. Smt. N. Muthulakshmi - Mother |
| 3.Other Related Parties | 1. Samrajyaa and Company |
| | 2. Magna Dignitech India LLP |
| | 3. Elgi Equipments Limited |
| | 4. Elgi Rubber Company Limited |

B.Transactions with Related Parties:

(₹ in lakhs)

Particulars	31.03.2023	31.03.2022
Managerial Remuneration to Directors	139.03	80.64
Managerial Remuneration to KMP	51.12	43.82
Reimbursement to Directors	6.41	3.59
Sitting Fees	11.60	8.50
Smt.N.Muthulakshmi		
Rent & Amenities	8.24	7.44
Samrajyaa And Company		
Machining Charges Paid	1,278.06	1,176.72
Rent Received	21.00	21.00
Reimbursements Paid	-	6.92
Reimbursements Received	0.81	0.09

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2023	31.03.2022
Magna Digitech India LLP		
Data Conversion Charges Paid	14.64	15.60
Machining Charges	1.96	-
Purchase of Castings	1.84	-
Purchase of Cores	25.37	20.90
Sale of Castings		44.95
Sale of Patterns	16.02	-
Sale of Metallics	54.50	-
Sale of other items	0.12	-
Pattern charges	-	14.81
Machining Charges Paid	-	1.82
Reimbursements Paid	-	0.50
Reimbursements Received	1.47	0.09
Elgi Rubber Company Limited		
Service Charges	0.18	-
	1,632.35	1,447.37

Outstandings	31.03.2023	31.03.2022
<i>Other Current Financial Liabilities</i>		
Sri. N.Krishna Samaraj	2.96	2.78
Sri. K Gnanasekaran	0.18	-
Dr. R Nandini	0.18	-
Sri. M. Malmarugan	3.20	-
Sri. J.Vijayakumar	0.18	-
Smt. N.Muthulakshmi	0.77	0.58
Samrajyaa And Company	77.61	138.44
<i>Receivables</i>		
Magna Digitech India LLP	8.70	4.66

44 Expenditure in Foreign Currency

Travelling expenses	19.94	6.01
Selling expenses	-	3.30
Miscellaneous expenses	6.03	5.63
	25.97	14.94

45 Earning in Foreign Currency

Export Sales	7,509.02	5,866.06
Sales of Patterns	137.07	100.64
	7,646.09	5,966.70

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2023	31.03.2022
46 Value of Imports Calculated on C.I.F basis		
Raw Materials	106.22	118.06
Components and Spare Parts	51.18	117.17
Capital goods	71.28	12.80
	228.68	248.03
47 Import purchase		
Raw Materials	106.22	118.06
Spare Parts	51.18	117.17
	157.40	235.23
48 Indigenous purchase		
Raw Materials	5,804.86	5,507.73
Spare Parts	681.04	476.75
	6,485.90	5,984.48
49 Power & Fuel is net off Wind Power and Solar Power of ₹ 479.54 Lakhs (Previous year - ₹ 461.13 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	271.87	239.58
Interest due on above	-	-
Total	271.87	239.58
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 31.03.2023	As at 31.03.2022	Difference	Remarks
Current Ratio	Current Assets/ Current Liabilities	3.24	2.73	18.46%	
Debt Equity Ratio	Borrowings/ Equity	0.01	0.06	-91.19%	CC Limit Utilization has decreased during the year
Debt service coverage Ratio	Net operating income/ (Interest + Repayments+ Lease Payments)	67.89	38.39	76.87%	CC Limit Utilization has decreased during the year
Return on Equity Ratio	Total Comprehensive Income/ (Share Capital + Other Equity)	18.15%	9.87%	83.86%	Increase in Profit for the year
Inventory turnover ratio	Revenue From Operation/ Average Inventory	15.79	14.43	9.40%	
Trade Receivables turnover ratio	Revenue From Operations / Average Trade Receivables	4.26	3.98	7.05%	
Trade payables turnover ratio	Credit Purchase / Average Trade Payables	4.87	5.40	-9.69%	
Net capital turnover ratio	Revenue From Operations / Working Capital	3.22	2.99	7.68%	
Net profit ratio	Profit for the year after tax / Revenue From Operations	10.40%	5.69%	82.78%	Increase in profitability
Return on Capital Employed	Earnings Before Interest and Tax / Capital Employed (1)	24.86%	13.63%	82.45%	Increase in profitability

(1) Capital Employed = Equity Share Capital + Other Equity

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2023	31.03.2022
52 Contingent Liabilities and Commitments (to the extent not provided for)		
i) Contingent Liabilities		
On Account of Pending Litigations	57.30	-
ii) Commitments		
On Account of Capital Expenditure	76.00	252.00
53 Leasing arrangements		
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	7.12	7.71
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	4.98	1.70
Maintenance expenses payable to the lessor as per the lease agreement was ₹ 31,000/- per month which is revised to ₹ 41,000/- p.m w.e.f December, 2022.		
54 Segment Information		
The Company is organised into two main reportable segments viz.,		
(1) Manufacture and Sale of Castings Division - Foundry		
(2) Wind Energy Division		
Segment Revenue:		
1. Foundry Division	16,464.29	13,584.04
2. Wind Energy Division	397.48	461.13
	16,861.77	14,045.17
Less: Inter Segment revenue	397.48	461.13
Net Sales/Income from operations	16,464.29	13,584.04
Segment Result:		
1. Foundry Division	2,107.65	808.24
2. Wind Energy Division	238.52	258.98
Total Profit before Interest	2,346.17	1,067.22
Less: Finance Costs		
1. Foundry Division	34.42	32.32
2. Wind Energy Division	-	-
Profit before Tax	2,311.75	1,034.90

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2023	31.03.2022
Segment Assets		
1. Foundry Division	11,631.86	10,377.20
2. Wind Energy Division	291.38	321.64
3. Unallocable Assets	-	-
Total	11,923.24	10,698.84
Segment Liabilities		
1. Foundry Division	2,326.66	2,659.55
2. Wind Energy Division	-	-
3. Unallocable Assets	160.52	208.10
Total	2,487.18	2,867.65

55 Relationship with Struck off companies:

The Company does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

56 Utilisation of Borrowed Funds and Share Premium:

- (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;

57 Details of Crypto Currency or Virtual Currency:

The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year

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.

NOTES TO THE FINANCIAL STATEMENTS:**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 2022-23.

66 Sl.No. 60 The VAT refund of ₹ 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.

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.

Significant 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

K. Gnanasekaran
Director
DIN : 00133645

R Ravi
Chief Financial Officer

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

N Krishna Samaraj
Managing Director
DIN : 00048547

Sangeetha C
Company Secretary
Membership No. A34056

C.S. Sathyanarayanan
Partner
Membership No. 028328

Coimbatore
30.05.2023



