

MAGNA

MAGNA
ELECTRO
CASTINGS
LIMITED

**Annual Report
2019 - 2020**

Board of Directors	Sri.J.Vijayakumar -DIN:00002530 Sri.K.Gnanasekaran -DIN:00133645 Dr.R.Nandini -DIN:00002223 Dr.Jairam Varadaraj -DIN:00003361 Sri.C.R.Swaminathan -DIN:00002169
Managing Director	Sri.N.Krishna Samaraj -DIN:00048547
Chief Executive Officer	Sri.M.Malmarugan
Chief Financial Officer	Sri.R. Ravi
Company Secretary	Smt. Sangeetha.C
Auditors	
Statutory Auditors	M/s. Srikishen & Co., Firm Reg.No. 004009S Chartered Accountants Coimbatore
Internal Auditors	M/s. S. Krishnamoorthy & Co., Firm Reg.No.001496S Chartered Accountants Coimbatore
Secretarial Auditors	M/s. MDS & Associates Company Secretaries Coimbatore
Cost Auditors	M/s. SBK & Associates Firm Reg.No. 000342 Cost Accountants Chennai
Bankers	1. Corporation Bank Industrial Finance Branch 1604 Trichy Road Coimbatore - 641 018 2. Indian Bank 31, Variety Hall Road Coimbatore 641 001
Registrars & Share Transfer Agents	M/s. S.K.D.C.Consultants Limited Kanapathy Towers, III Floor 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641006.
Listing with Stock Exchanges	BSE Limited, Mumbai
Corporate Identification No.	L31103TZ1990PLC002836

Registered Office

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

Factory**A. FOUNDRY DIVISION**

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

B. WIND ENERGY DIVISION

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

Internet

e-mail : info@magnacast.com
Website : www.magnacast.com

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NOTICE TO MEMBERS:

NOTICE is hereby given that the 30th Annual General Meeting of the Members of Magna Electro Castings Limited will be held at 3.30.P.M. India Standard Time (IST) on Wednesday, 23rd September, 2020 through Video Conferencing ('VC')/ Other Audio Visual Means ("OAVM") to transact the following business(es):-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements including Balance Sheet as at 31st March, 2020, 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 confirm the payment of interim dividend as the final dividend for the year ended 31st March, 2020.
3. To appoint a Director in the place of Sri.J.Vijayakumar (DIN:00002530), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

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

RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014, in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 (including any statutory modification(s) or enactment thereof for the time being in force), consent of the Members of the Company be and is hereby accorded for the proposed related party transactions between the Company and M/s. Samrajyaa and Company for purchase, sale or supply of goods or materials and availing of services for a period of 3 years with effect from 01.04.2021 upto the maximum value of transactions of ₹ 2500 Lakhs per annum, as briefly mentioned in the explanatory statement to this resolution.

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

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

RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) M/s. SBK & Associates (Firm Registration No: 000342), Cost Auditors, Chennai, who were appointed as Cost Auditors by the Board of Directors of the Company on the recommendation of the Audit Committee, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2021 on a remuneration of ₹ 1,00,000 (Rupees One Lakh only) plus applicable taxes and re-imbursement of travelling and out of pocket expenses incurred by him for the purpose of audit be and are hereby ratified and confirmed.

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

EXPLANATORY STATEMENT IN TERMS OF SECTION 102 OF THE COMPANIES ACT, 2013:**ITEM NO. 4**

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

Name of the Related Party	M/s. Samrajyaa and Company	
Name of the Director/KMP who is related, if any	Partners of M/s. Samrajyaa and Company are if any related to Sri.N.Krishna Samaraj, Managing Director and Sri.J.Vijayakumar, Director of the Company	
Nature, Material Terms, monetary value and particulars of the contract or arrangement;	Particulars of transaction	Value of Transaction not exceeding per financial year (₹ in Lakhs)
	Machining Charges Payable	2000
	Availing/ rendering of any services or Sale / Purchase of Components/ materials	500
Tenure of the contract	3 Years (w.e.f 01.04.2021)	
Any other information relevant or important for the members to take decision on the proposed resolution	Nil	

Further the Members had approved above material related party transaction at their meeting held on 19th September, 2018 for a period of 3 years with effect from 01.04.2018 which expires on 31.03.2021.

In terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, all material related party transactions shall require approval of the shareholders, notwithstanding such transactions have been done at arm's length basis and in the normal course of business. In the light of above Statutory requirement and based on the recommendation of the Audit Committee, your Directors place before the Members for the approval of the proposed transactions with the related party for three (3) financial years with effect from the financial year 2021-22.

The Board recommends an Ordinary Resolution as set out at Item No. 4 for the approval of the Shareholders.

Sri. N. Krishna Samaraj and Sri. J. Vijayakumar, Directors and their relatives are concerned or interested, financially or otherwise, in the said resolution.

ITEM NO. 5

The Board of Directors of the Company based on the recommendations of the Audit Committee of the Company, appointed M/s. SBK & Associates, Cost Accountants, Chennai, to conduct the audit of the cost records of the Company for the financial year 2020-21 and fixed the remuneration of ₹ 1,00,000 (Rupees One Lakh only) along with the payment of applicable taxes and reimbursement of out-of pocket expenses incurred by them during the course of the audit, payable to them.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors of the Company shall be recommended by the Audit Committee and approved by the Board of Directors and has to be ratified by the Members at the Annual General Meeting of the Company. Accordingly, the consent of the members is being sought for the ratification of the remuneration to be paid to the Cost Auditors of the Company for the financial year 2020-21.

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.

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

Name of the Director	Sri.J.Vijayakumar
DIN	00002530
Date of Birth / Age	09.12.1952 / 67 Years
Nationality	Indian
Year of induction to the Board	1990
Qualification	B.Com, MBA (USA)
Expertise & skills	More than 40 years of Industrial Experience. And expertise in General Administration and Finance. Managing Director of Veejay Terry Products Limited and looking after day to day operations of the Company.
Shareholding	10,100 Equity Shares
Relationship	Not related to any of the other Directors of the Company
Terms of Appointment / Reappointment	Liable to retire by rotation.
Remuneration sought to be paid	Sitting fees only
Remuneration last drawn	₹ 2,05,000
No.of Board meetings attended	5
List of Directorships held in other Companies	Veejay Terry Products Limited
Other Companies Committee Details	Veejay Terry Products Limited - Stakeholders Relationship Committee (Member)

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 and 13th April, 2020 (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 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, the AGM of the Company is being held through VC / OAVM. Members desirous of participating in the meeting through VC / OAVM, may refer to the procedures mentioned below.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to bk.scrutiniser@gmail.com with a copy marked to helpdesk.evoting@cDSLindia.com.
4. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report for the financial year 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the physical copy of the Annual Report will not be sent. Members may note that the Notice and Annual Report for the financial year 2019-20 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 Central Depository Services (India) Limited at www.evotingindia.com. 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 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 2020-21 to the Stock Exchange, Mumbai.
9. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members of the Company will remain closed during the period from 17th September, 2020 to 23rd September, 2020 (both days inclusive) for determining the names of the members eligible for Annual General Meeting.

10. Members holding shares in physical form are requested to notify any change in their address/mandate/bank details to the Company's Registrar and Share Transfer Agents. Members holding shares in electronic form are requested to notify any change in their address/mandate/bank details to their respective Depository Participant(s).
11. 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.
12. Soft copies the Register of Directors and Key Managerial Personal 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.
13. 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.
14. 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.
15. 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 2019-20 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.
16. 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.
17. 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