

MAGNA

MAGNA ELECTRO CASTINGS LIMITED

43, BALASUNDARAM ROAD, COIMBATORE - TN 641 018. INDIA
TEL : (0422) 2240109 2246184 2240487, FAX : (0422) 2246209
E-MAIL : info@magnacast.com
Web : www.magnacast.com
CIN : L31103TZ1990PLC002836



SEC/BSE/017/2016-17

September 16, 2016

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

Kind Attn: Mr. Shyam Bhagirath
Mr. Rakesh Parekh
Scrip Code: 517449

Dear Sir,

Submission of Annual Report under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby informed that the enclosed Annual Report for the financial year 2015-16 was approved by the shareholders of the Company at their meeting held on Thursday, 15th September 2016.

Kindly take this information on record.

Thanking you

For Magna Electro Castings Limited

Sangeetha C
Company Secretary

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MAGNA
ELECTRO
CASTINGS
LIMITED

**Annual Report
2015 - 2016**

Board of Directors

Sri.V.Rajendran (upto 31.12.2015)	(DIN:00002212)
Sri.J.Vijayakumar	(DIN:00002530)
Sri.K.Gnanasekaran	(DIN:00133645)
Smt.R.Nandini	(DIN:00002223)
Dr.Jairam Varadaraj	(DIN:00058056)
Sri.C.R.Swaminathan	(DIN:00002169)
Sri.N.Krishna Samaraj (Managing Director)	(DIN:00048547)

Chief Financial Officer Sri.R.Ravi

Company Secretary Smt.Sangeetha.C

Auditors

Statutory Auditors M/s S.Krishnamoorthy & Co
Firm Reg.No. 001496S
Chartered Accountants
Coimbatore

Internal Auditors M/s. Srikishen & Co.
Firm Reg.No. 004009S
Chartered Accountants
Coimbatore

Secretarial Auditors M/s.MDS & Associates
Company Secretaries
Coimbatore

Cost Auditors 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 S.K.D.C.Consultants Limited
Kanapathy Towers, III Floor,
1391/A-1, Sathy Road,Ganapathy,
Coimbatore-641006

Listing with Stock Exchanges BSE Ltd., Mumbai

Corporate Identification No. L31103TZ1990PLC002836

MAGNA

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. Windmill 1 at Andhiyur Village, Pollachi Taluk.
2. Windmill 2 at Ganapathipalayam village,
Pollachi Taluk.
3. Windmill 3 at Kolumamkondan, Pushpathur,
Palani Taluk.
4. Windmill 4 at Thotathurai, Palani Taluk

Internet

E-mail : info@magnacast.com

Website : www.magnacast.com

Contents	Page No.
Notice	3
Directors' Report	15
Report on Corporate Governance	44
Auditors' Report	58
Balance Sheet	64
Profit and Loss Statement	65
Cash Flow Statement	66
Significant Accounting Policies	67
Notes to the Financial Statement	69

NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the Members of Magna Electro Castings Limited will be held at 10.30.A.M. on Thursday, 15th September 2016, at Ardra Conference Center, North Huzur Road, Coimbatore - 641018, to transact the following businesses.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement 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 2016
3. To appoint a Director in place of Sri.J.Vijayakumar (DIN 00002530), who retires by rotation and being eligible, offers himself for reappointment
4. To consider the re-appointment of M/s S. Krishnamoorthy & Co., Chartered Accountants (Firm Registration No.001496S) as Auditors of the Company and in this connection, to approve with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). M/s. S. Krishnamoorthy & Co, Chartered Accountants (Firm Registration No.001496S), be and are hereby appointed as the Joint Statutory Auditors of the Company for the financial year 2016-17, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company and shall be jointly and severally responsible with M/s. Srikishen & Co., Chartered Accountants (Firm Registration No.004009S) the other Statutory Auditors.

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

5. To consider the appointment of M/s Srikishen & Co., Chartered Accountants (Firm Registration No.004009S) as Auditors of the Company and in this connection, to approve, with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. Srikishen & Co, Chartered Accountants (Firm Registration No.004009S), be and are hereby appointed as Statutory Auditors of the Company for a term of five years, to hold office from the conclusion of this Annual General Meeting till the Conclusion of the 31st Annual General Meeting of the Company, subject to approval by the shareholders at every Annual General Meeting after this Annual General Meeting, on such remuneration as shall be fixed by the Board of Directors of the Company and shall be jointly and severally responsible with M/s. S. Krishnamoorthy & Co., Chartered Accountants (Firm Registration No.001496S) for the financial year 2016-17.

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

SPECIAL BUSINESS:

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

RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to M/s. SBK & Associates (Firm Registration No: 000342), Cost Auditors, Chennai to audit the cost records of the Company for the year 2016-17 amounting to Rs.1,00,000 (Rupees One lakh only) along with the payment of applicable service tax and reimbursement of out-of pocket expenses incurred by them during the course of the audit, be and is hereby ratified and approved.

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

RESOLVED THAT in accordance with the provisions of Sections 197, 198, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereto and subject to such other approvals as may be necessary, the consent of the Company be and is hereby accorded to the re-appointment of Sri.N.Krishna Samaraj (DIN 00048547) as the Managing Director of the Company for a further period of five (5) years from 17/01/2017 to 16/01/2022 and the remuneration for a period of three years (3) from 17/01/2017 to 16/01/2020 be paid to Sri. N. Krishna Samaraj on the following terms and conditions:

- i. Salary:Rs.5,00,000 per month
- ii. Contribution to Provident fund, Super annuation fund or annuity fund, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- iii. Gratuity payable at the rate not exceeding half months salary for each completed year of service
- iv. Encashment of leave at the end of tenure
- v. Car with driver, telephone at residence, club fees and medical reimbursement
- vi. Commission on Net profits: 1% in addition to salary and perquisites and the amount determined shall be subject to the limits laid down under Section 197 and 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT in the event of absence of profits or inadequacy of profits in any year, the Managing Director shall be paid the following remuneration not exceeding the limits specified in Section II of Part II of Schedule V of the Companies Act, 2013 or such other limits as may be notified by the Government from time to time as minimum remuneration:

- a) Salary : Rs.5,00,000 per month
- b) Contribution to Provident fund, Super annuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- c) Gratuity payable at the rate not exceeding half months salary for each completed year of Service

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

STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO: 6

The Ministry of Corporate Affairs, vide notification dated 31st December 2014, amended the Companies (Cost Records and Audit) Rules, 2014 making it mandatory for companies manufacturing products falling under specified Central Excise Tariff headings to get their cost records audited by Cost Accountants. The products manufactured by the Company, viz., Iron Castings, fall under the specified central excise tariff heading and hence the applicability of the said notification is applicable.

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 2016-17 and fixed the remuneration 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 2016-17.

The Board recommends the resolution set out in Item No. 6 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 in the resolution as set out under Item no. 6

ITEM NO: 7

Sri. N.Krishna Samaraj was reappointed as Managing Director of the Company for a period of five years from 17th January 2012 at the 21st Annual General Meeting held on 24th August 2011. The remuneration payable to him was approved by the members at the above Meeting for a period of three years from 17th January 2012 till 16th January 2015 and by the members at the 24th Annual General Meeting held on 25th September 2014 for a further period from 17th January 2015 till the remaining period of his present term ,ie. upto 16th January 2017.

The appointment and remuneration proposed to be paid to Sri. N.Krishna Samaraj has been approved by the Nomination and Remuneration Committee of the Board , as set out in the Notice, and the same is within the limits specified in Part II of Schedule V to the Companies Act,2013.

The Board of Directors, after taking into consideration the substantial and significant contribution made by Sri. N. Krishna Samaraj, Managing Director for the rapid growth of the Company and also taking into account the future plans of the Company have accepted the proposal of the Nomination and Remuneration Committee and the Audit Committee, subject to the approval of the members by means of a Special Resolution at the ensuing Annual General Meeting.

The Board of Directors recommend the resolution set out at Item no. 7 of the Notice for your approval.

Sri.N.Krishna Samaraj, Director, may be deemed to be concerned or interested in this resolution. Copies of the Memorandum setting out the terms and conditions are available for inspection by any member of the Company at the registered office of the Company.

Statement of disclosures pursuant to Section II (A) of Part II of Schedule V to the Companies Act, 2013 in relation to Item no. 7 above:**I. General Information:**

1. Nature of Industry : The Company is engaged in the manufacture and sales of SG Ductile iron and Grey iron castings. The Company has two divisions, namely, Foundry division and Wind Energy Generation division.
2. Date of commencement of commercial production : 30.01.1995
3. In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not applicable

4. Financial performance:

(Rs in lakhs)

Details	2016	2015	2014	2013	2012
Total income	9433.61	10188.98	7605.18	8763.32	8558.96
Net Profit before tax	909.72	836.96	571.06	603.80	620.39
Dividend paid	91.64	82.48	73.31	82.48	91.64
Rate of dividend in %	20	18	16	18	20

5. Foreign Investments or collaborations:

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

6. Export Performance:

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

(Rs in lakhs)

Year	2016	2015	2014	2013	2012
Export Earnings	5596.01	6453.21	4461.05	5226.47	5059.55

II Information about the appointee:

1. Background details : Sri. N. Krishna Samaraj, aged 61, the main promoter of this Company. is an Engineering Graduate with a Masters in Business Administration from the University of Michigan, USA. He has over 12 years working experience in the USA and Europe. He has been the Managing Director since inception of the Company. He is also the President of the Institute of Indian Foundry men for the year 2015-16.

2. Past remuneration

(Rs in lakhs)

Particulars	31.03.2016	31.03.2015	31.03.2014
Salary	42.00	41.71	31.24
Perquisites	0.19	0.19	0.19
Commission	6.06	1.59	--
Sitting Fee	0.58	0.38	--
Annual Remuneration	48.83	43.87	31.43

3. Recognition of awards : Nil
4. Job profile & suitability : Sri.N.Krishna Samaraj is in charge of the day to day operations of the Company and is assisted by a team of qualified and experienced professionals. With the educational qualifications he possesses and the vast experience in the field, and with his administrative capabilities, Sri.Krishna Samaraj is best suited for the position.
5. Remuneration proposed : As set out in Item No . 7 of the Notice
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position : The proposed remuneration to Sri.N.Krishna Samaraj is comparable to industry standards
7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any : Nil

III. Other information:

1. Reason for loss/inadequate profits : not applicable
2. Steps taken or proposed to be taken for improvement : Upgradation of technology, improving R&D activities,
3. Expected increase in productivity and profits in measurable terms : Both productivity and profits are expected to increase by 10%.

IV. Disclosures:

1. Shareholders of the Company shall be informed of the remuneration package of the managerial Person : Information is furnished in the Notice to the shareholders
2. The following disclosures shall be mentioned in the Board of Directors' report under the heading ,Corporate Governance, if any, attached to the Annual Report.
 - i All elements of the remuneration package such as salary, benefits, bonus, stock options, pension, etc. of all the Directors : Except Mr.N.Krishna Samaraj, Managing Director, no other Director is paid any remuneration. They are paid only sitting fees for attending meetings of the Board/Committees
 - ii Details of fixed components and performance linked incentives along with performance criteria : Salary of Rs.5,00,000 per month;1% commission on Net Profits; there is no performance linked incentive
 - iii Service Contracts, notice period, severance fees : Not applicable
 - iv Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable : Not applicable

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

THE PROXIES TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE SCHEDULED COMMENCEMENT OF THE MEETING.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other member of the Company.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members / Proxies should bring the attendance slips duly filled and signed for attending the meeting.
4. 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.
5. The Register of Members of the Company will remain closed during the period from 9th September 2016 to 15th September 2016 (both days inclusive).

6. Dividend when approved will be paid to such of the members whose names appear in the Register of Members of the Company as on 15th September 2016. In respect of shares held in dematerialized form, the dividend will be paid on the basis of beneficial ownership as per the details furnished by the Depositories for this purpose at the end of business hours on 8th September 2016.
7. 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).
8. The Company has paid the annual listing fees for the period 2016-2017 to the Stock Exchange, Mumbai.
9. 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 issue of fresh Demand drafts.
10. Pursuant to the provisions of Section 124 of the Companies Act, 2013 such dividend which remain unpaid/unclaimed for a period of seven years will be transferred to Investor Education and Protection Fund constituted by the Central Government under Section 125 of the Act. The amount lying in the unpaid dividend account of earlier years is furnished below:

Year	Amount (Rs.)
2008 - 2009	1,78,110
2009 - 2010	2,34,160
2010 - 2011	2,53,402
2011 - 2012	2,73,092
2012 - 2013	2,77,084
2013 - 2014	2,42,262
2014 - 2015	2,96,720

The unclaimed dividend on Equity shares upto the year ended 31st March 2008 has been transferred to the Investor Education and Protection Fund Account. Shareholders who have still not encashed their dividend warrants are requested to claim the dividend from the Company at the earliest.

11. 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.
12. Members are requested to bring along with their Annual Report their Client ID and DP ID Numbers for easy identification of attendance at the Annual General Meeting.
13. 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 register their email address with our Registrars & Share Transfer Agents, SKDC Consultants Ltd., Kanapathy Towers, 3rd Floor, 139/1A, Sathy Road, Ganapathy, Coimbatore-641 006; email id: green@skdc-consultants.com.
14. 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 Participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Company or Registrars & Share Transfer Agents.
15. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

MAGNA

16. Members desirous of receiving any information on the accounts or operations of the Company are requested to forward his/her queries to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
17. Members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares.
18. Members are requested to note that the venue of the 26th Annual General Meeting at Ardra Conference Center, North Huzur Road, Coimbatore - 641018 and the route map containing the complete particulars of the venue is attached to this Notice
19. The Notice of the 26th Annual General Meeting and the Annual Report for the year ended 31st March 2016 will be made available on the Company's website www.magnacast.com for members to download. 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.

20. VOTING THROUGH ELECTRONIC MEANS

- I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of SEBI (LODR) Regulations, 2015 the Company is pleased to provide its members the facility to exercise their right to vote at the 26th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).
- II. The Facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote may exercise their vote through ballot paper.
- III. The Members who have cast their vote by remote e-voting shall not be entitled to cast their vote again

The instructions for members for voting electronically are as under:-

- (i) The voting period begins at 9.00 A.M. on 12th September 2016 and ends at 5.00 P.M. on 14th September 2016. 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 8th September 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> - Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN -Magna Electro Castings Limited -on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

MAGNA

- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xviii) Note for Non - Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date , viz. 8th September 2016.
- V. Mr.B.Krishnamoorthi, Chartered Accountant, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VI. The Scrutinizer shall immediately after the conclusion of the Annual General Meeting first count the votes cast at the meeting 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 meeting.
- VII. 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 the Stock Exchanges where the Company's shares are listed.

Additional Information on directors recommended for appointment / re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by ICSI.

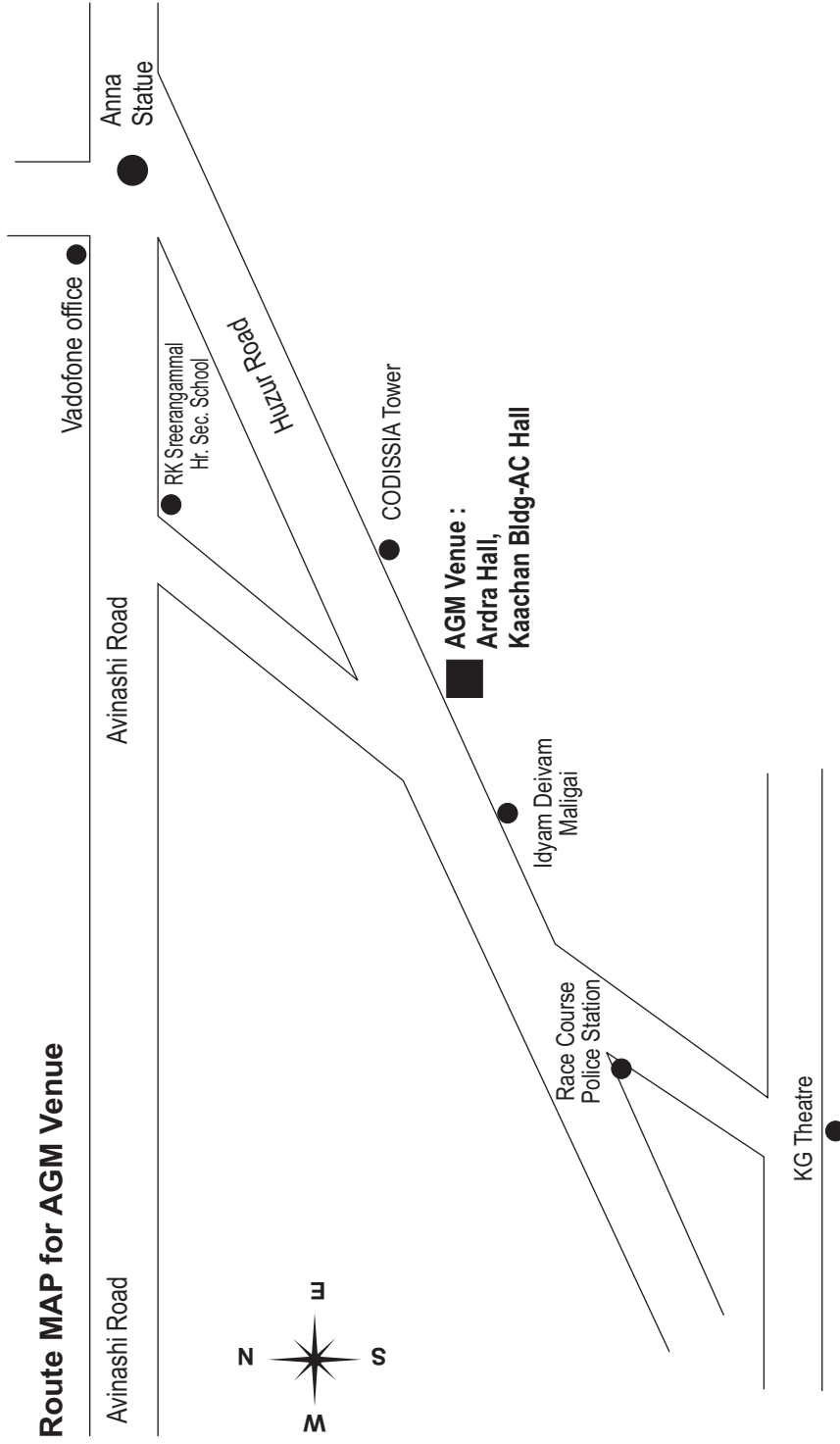
Name	Sri. J. Vijayakumar	Sri. N. Krishna Samaraj
DIN	00002530	00048547
Date of Birth/Age	9.12.1952 / 63 Years	26.03.1955 / 61 Years
Nationality	Indian	Indian
Year of induction to the Board	1990	1990
Qualification	B.Com., MBA (USA)	BE., MBA (USA)
Expertise in functional areas	General Administration and Finance	More than 15 years of Experience as an Industrialist
Shareholding	10,100 Equity Shares	7,98,709 Equity Shares
Relationship	Not related to any of the other Directors of the Company	Not related to any of the other Directors of the Company
Terms of appointment/ re-appointment	Liable to retire by rotation	Not liable to retire by rotation Re-appointment for 5 years
Remuneration sought to be paid	Sitting fees only	Rs. 60 lakhs excluding commission, sitting fees and perquisites
Remuneration last drawn	Rs. 82,500	Rs. 48,83,129
No. of Board Meetings attended	5	5
List of Directorships held in other Companies	Veejay Terry Products Limited	1. Veejay Terry Products Limited 2. Chandra Textiles Private Limited 3. Magna Digttech India Private Limited 4. Foundries Development Foundation
Other Companies Committee Membership	NIL	NIL

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

N. Krishna Samaraj
Managing Director
DIN : 00048547

Coimbatore
28th May 2016

Route MAP for AGM Venue



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 26th Annual Report and Audited Accounts of the Company for the year ended 31st March 2016.

FINANCIAL RESULTS

The highlights of the performance of the company during the fiscal are given under: (Rs. in lakhs)

For the financial year ended	31-03-2016	31-03-2015
Total Revenue	9433.61	10188.98
Gross Profit before interest, depreciation, and income tax	1528.32	1510.33
Interest	156.03	231.79
Depreciation	462.57	441.58
Profit before tax	909.72	836.96
Provision for Income tax	210.00	225.00
for Deferred tax	34.97	87.93
for Prior year tax	--	(18.81)
Profit for the period	664.75	542.84
Proposed transfer to General Reserve	200.00	200.00
Proposed dividend	91.64	82.48
Provision for Corporate tax on Dividend	18.65	16.78
Balance brought forward	1017.98	774.40
Surplus carried over	1372.43	1017.98

FINANCIAL HIGHLIGHTS

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

OPERATIONS

The net turnover (exclusive of taxes and duties) has decreased by 8.07 % from Rs.10021.20 lakhs to Rs. 9212.59 lakhs. This was mainly because of the weak global and domestic markets which are still reeling under recessionary conditions. The demand for castings has therefore been subdued.

The Wind Energy Division of the Company recorded lower revenue again during the current financial year because of non evacuation of energy for administrative reasons as in the previous year coupled with low wind velocity during the peak wind season.

The various cost saving initiatives taken by the Company during the year and the sharp decline in material costs enabled the Company to post a Profit before Tax of Rs.909.72 lakhs which is an increase of 8.7% over the previous year's profit of Rs.836.96 lakhs.

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

OUTLOOK FOR CURRENT YEAR

The export as well as the domestic markets are yet to show signs of any recovery. It is hoped that the various initiatives being taken by the Central Government will be beneficial to the industry and thereby lead to revival of the markets.

MAGNA

PROJECTS IMPLEMENTED

The Company has installed during the year under review the Furan Thermal Reclamation Sand Plant at a cost of Rs.200 lakhs for reclamation of sand. Apart from meeting the Statutory requirements, this installation will enable the Company to reduce dependence on the availability of sand, which is a precious natural resource.

The Company also installed during the year the Furan No Bake Continuous Mixer for achieving consistency in casting dimension and 3D Printing Technology for shorter development time and reduction in sampling time. The Paint shop was modernized with the installation of a new high tech Painting booth to supply ready to assemble products to the customers.

All the above initiatives will go a long way in satisfying the customer needs and satisfaction.

FUTURE EXPANSION PLANS

The Company has been constantly upgrading its production capabilities to be in line with the latest in the Industry. Keeping this in mind, the Company is planning to upgrade its Core shop activities and installation of a Heat Treatment Furnace during the current year. The total outlay for this being very minimal, the same will be funded from out of internal sources

QUALITY RECOGNITIONS

The Company received during the year the re-certification from the Performance Review Institute, USA, as an Accredited Manufacturer of Ductile and Gray Iron Castings which is mandatory for supply of castings for applications in locomotives, railway engines etc in the USA. The Company also received re-certification for ISO/TS 16949 standards and Pressure Equipment Directive standards.

FINANCE

The Company's long term debt stands at Rs.459.47 lakhs. The debt-equity ratio continues to remain at a healthy level of 0.10.

TRANSFER TO RESERVES

An amount of Rs.200 lakhs has been transferred to General Reserves and an amount of Rs.1372.43 lakhs is retained in the statement of profit & loss.

DIVIDEND

Your Directors are pleased to recommend, subject to the approval of the shareholders, a dividend at the rate of Rs.2.00 per share, i.e. at the rate of 20 % for the year on the paid-up equity share capital of the Company as against Rs.1.80 per share (18%) paid last year. The dividend, if approved, will absorb an amount of Rs. 110.29 lakhs, inclusive of Corporate tax on Distribution of dividends.

SHARE CAPITAL

The paid-up capital of the Company as at 31.03.2016 stood at Rs.4,58,22,000. During the year under review the Company has not made any fresh issue of shares.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is furnished in Annexure B and is attached to this report.

BOARD MEETINGS AND ITS COMMITTEES CONDUCTED DURING THE PERIOD UNDER REVIEW

The Company had conducted (5) Board meetings, (5) Audit Committee meetings, (2) Nomination and Remuneration committee meetings, (4) Stakeholders Relationship committee meetings, (1) Corporate Social Responsibility Committee Meeting and (1) Independent Directors meetings during the period under review. Further details of the same have been enumerated in the Corporate Governance Report annexed herewith.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) of the Companies Act 2013, with respect to Directors' Responsibility Statement, the Directors confirm that -

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- b) they 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) they have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they 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) they had devised proper system to ensure compliance with the provisions of all the applicable laws and such systems were adequate and operating effectively;

DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and SEBI (Listing obligations and disclosure Requirements) Regulations, 2015.

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 for fixing and revising remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and employees of the Company. The Remuneration policy of the Company is annexed herewith as Annexure C and can also be accessed on the Company's website at the link <http://www.magnacast.com/financial/229.pdf>

COMMENTS ON AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s.S.Krishnamoorthy & Co, Statutory Auditors and Mr.M.D.Selvaraj, Secretarial Auditor in their respective reports.

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

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provisions are not applicable.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year 2015-16 were on an arms' length basis and in the ordinary course of business. The requirement of furnishing the particulars of contracts or arrangements entered into by the Company with related parties in Form AOC-2 does not arise.

The policy with regard to Related Party transactions can be accessed on the Company's website at <http://www.magnacast.com/financial/224.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 statements 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 D and is attached to this report.

RISK MANAGEMENT

The Company continues to focus on the Risks areas identified by the Company. These can be classified under (a) Economic risks (b) Marketing risks and (c) Financial risks. 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 also established risk management plan and assessment and the same has been reviewed by the Audit committee and the Board on quarterly basis.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

During the year under review, the Company has incurred an expenditure of Rs.15.80 lakhs towards CSR activities. The details of CSR activities are furnished separately vide Annexure E to this Report. The policy relating to CSR has been displayed on the Company's website and can be accessed at <http://www.magnacast.com/financial/223.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

During the year under review, Sri.V.Rajendran, Director, who has been associated with the Company right from its inception, resigned from the Board due to ill- health. Sri.V.Rajendran, with his wide experience in the Foundry industry, had always been a source of inspiration to the Company with his valuable guidance and wise counsel. The Directors place on record their appreciation of the services rendered by Sri.V.Rajendran to the Company, especially during its initial stages of formation.

As per the provisions of the Companies Act, 2013, Sri.J.Vijayakumar, Director, retires at this Annual General Meeting and being eligible, offers himself for reappointment. The Board recommends his re-appointment.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

FIXED DEPOSITS

The Company has not accepted any fixed deposits and hence there are no unclaimed deposits as on 31st March 2016.

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.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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) are adequate with respect to the operations of the company. A 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. S. Krishnamoorthy & Co, Chartered Accountants, Auditors, retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Certificate required under Section 139 read with Section 141 of the Companies Act, 2013 informing their eligibility to act as the Statutory Auditors of the Company has been furnished by them. The re-appointment proposed is within the time frame for transition under Section 139 of the Companies Act, 2013.

The tenure of office of M/s. S. Krishnamoorthy & Co as Statutory Auditors of the Company will expire with the conclusion of the 26th Annual General meeting of the Company.

The Directors, based on the recommendation of the Audit -committee and subject to the approval of the members at the ensuing Annual General Meeting, have approved the appointment of M/s. Srikishen & Co, Chartered Accounts (Firm Regn. No. 004009 S) as the Statutory Auditors for a period of 5 years from the conclusion of the 26th Annual General Meeting till the conclusion of the 31st Annual General Meeting of the Company. Necessary certificate of eligibility under Section 139 of the Companies Act, 2013 has been received from M/s. Srikishen & Co.

SECRETARIAL AUDITORS

The Board has appointed Mr.M.D.Selvaraj, FCS of M/s.MDS & Associates, Coimbatore, based on the recommendation of the Audit Committee, as the Secretarial Auditors of the Company for the year 2016-17 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 2015-16 is annexed as Annexure F to this Report.

COST AUDITORS

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and audits) Rules, 2014, the products manufactured by the Company, viz., Iron Castings falling under the specified Central Excise Tariff heading are covered under the mandatory cost audit from the financial year commencing from 1st April, 2015. The Board, based on the recommendations of the Audit Committee has appointed M/s. SBK & Associates, Chennai as the Cost Auditors for the financial year 2016-17. Necessary consent has been received from M/s. SBK & Associates for their appointment. Pursuant to Rule 14 of the Companies (Accounts) Rules, 2014, the remuneration payable to the Cost Auditors of the Company is subject to the approval of the shareholders at the Annual General Meeting. The Board recommends their remuneration.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company has been continuously focusing its attention on nurturing the talent of its employees by recognizing their performance and creating enough opportunities for their growth in the Company. This has ensured to retain talent within the organization.

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

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

The Company has in place a policy on 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. All employees (permanent, contractual, temporary, trainees) are covered under this policy. There were no complaints received from any employee during the financial year 2015-16.

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 G attached to this report.

CORPORATE GOVERNANCE

The report on Management Discussion and Analysis, Corporate Governance as well as Auditor's Certificate regarding compliance of conditions of Corporate Governance forms part of this Annual Report.

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 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. The policy can be accessed on the Company's website at <http://www.magnacast.com/financial/227.pdf>

DETAILS IN RESPECT OF FRAUDS REPORT BY THE AUDITORS UNDER SECTION 143(12) OF THE COMPANIES ACT 2013 OTHER THAN THOSE WHICH ARE RESPONSIBLE TO THE CENTRAL GOVERNMENT:

There were no instances of frauds identified or reported by the statutory auditors during the course of their audit pursuant to section 143(12) of the companies Act, 2013.

ACKNOWLEDGEMENT

Your Directors thank the shareholders, customers and suppliers for their continued support during the year. The Directors wish to place on record their appreciation of the support and co-operation extended by the Company's Bankers M/s. Corporation Bank and M/s. Indian Bank, the various Government Agencies and in particular the Tamil Nadu Electricity Board and the employees of the Company at all levels.

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

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

Coimbatore
28th May 2016

C.R. Swaminathan
Director
DIN : 00002169

N. Krishna Samaraj
Managing Director
DIN : 00048547

ANNEXURE - A**FINANCIAL HIGHLIGHTS**

(Amount Rs. in Lakhs)

5 Year Highlights					
Financial year ended 31st March	2012	2013	2014	2015	2016
Operating Results					
Sales and Other Income	8558.96	8763.32	7605.18	10188.98	9433.61
Operating Profit	1402.70	1457.49	1524.62	1522.89	1544.12
Interest	232.84	237.39	258.01	231.79	156.03
Gross Profit	1169.86	1220.10	1266.61	1291.10	1388.09
Depreciation	549.47	616.30	695.55	441.58	462.57
Taxation	202.39	78.84	108.89	294.12	244.97
CSR Expenditure	--	--	--	12.55	15.80
Net Profit	418.00	524.96	462.18	542.84	664.75
Dividend (including dividend tax)	106.51	96.49	85.76	99.27	110.30
Retained Profit	311.76	428.47	365.69	441.68	554.45
Performance Parameters					
Net Fixed Assets	3766.41	4518.52	4071.58	4093.80	4249.31
Share Capital	458.22	458.22	458.22	458.22	458.22
Reserves	2385.31	2837.65	3190.18	3633.76	4188.21
Net Worth	2843.53	3295.87	3648.40	4090.08	4646.43
Return on Net Worth %	14.70	15.93	12.66	13.27	14.31
Borrowings	651.53	921.95	875.04	571.52	459.48
Debt Equity Ratio	0.23	0.28	0.24	0.14	0.10
Dividend (%)	20	18	16	18	20
Earnings per share (Rs.)	9.12	11.46	10.09	11.85	14.51

ANNEXURE - B**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L31103TZ1990PLC002836
ii)	Registration Date	22.08.1990
iii)	Name of the Company	MAGNA ELECTRO CASTINGS LIMITED
iv)	Category / Sub-Category of the Company	Public Company / Limited by Shares
v)	Address of the Registered office and contact details	Old No.62, New No.43, Balasundaram Road, Coimbatore - 641018 Phone No.: 0422-2240109 Fax: 0422-2246207 E-mail: info@magnacast.com Web site: www.magnacast.com
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrars and Transfer Agents, if any	SKDC Consultants Limited Kanapathy Towers, 3rd Floor, 1391/A1, Sathy Road, Ganapathy, Coimbatore - 641006 Phone No.: 0422-6549995, 2539835, 2539836 Fax: 0422-2539837 E-mail: info@skdc-consultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
Iron castings including Grey Iron, SG iron and other iron alloy castings-machined and unmachined and steel components	24319	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES [No. of Companies for which information is being filled]

S. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
The Company does not have a Holding, Subsidiary and Associate Companies					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	1942419	-	1942419	42.39	1943155	-	1943155	42.41	0.02
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	1942419	-	1942419	42.39	1943155	-	1943155	42.41	0.02
2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Others- Individual	-	-	-	-	-	-	-	-	-
c) Bodies corporate	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A) = (A)(1)+(A)(2)	1942419	-	1942419	42.39	1943155	-	1943155	42.41	0.02
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	600	600	0.01	-	600	600	0.01	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	600	600	0.01	-	600	600	0.01	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	334328	2800	337128	7.35	294235	2800	297035	6.48	-0.87
ii) Overseas	-	-	-	-	-	-	-	-	-

MAGNA

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakhs	883193	383861	1267054	27.65	1173889	357761	1531650	33.43	5.77
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakhs	395375	86500	481875	10.51	239352	-	239352	5.23	-5.28
c) Others (specify)									
Directors & their Relatives	51005	5000	56005	1.22	46005	5000	51005	1.11	-0.11
Non Resident Indians	22983	234600	257583	5.62	31123	234600	265723	5.80	0.18
Overseas Corporate Bodies	-	156000	156000	3.40	-	156000	156000	3.40	-
Clearing Members	4484	-	4484	0.09	12430	-	12430	0.27	0.17
Hindu Undivided Families	79052	-	79052	1.73	85250	-	85250	1.86	0.13
Sub-total (B)(2)	1770420	868761	2639181	57.59	1882284	756161	2638445	57.58	-0.01
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1770420	869361	2639781	57.61	1882284	756761	2639045	57.59	-0.02
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	3712839	869361	4582200	100.00	3825439	756761	4582200	100.00	0.00

ii) Shareholding of Promoter-

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1 N. KRISHNA SAMARAJ	751171	16.39	-	751767	16.41	-	0.02
2 N. MUTHULAKSHMI	160491	3.50	-	160491	3.50	-	-
3 RANGANAYAKI. N	188000	4.10	-	188000	4.10	-	-
4 MAHITHA VIJAYAKUMAR	22600	0.50	-	22600	0.50	-	-
5 JANARDHANA NAIDU VIJAYAKUMAR	10100	0.22	-	10100	0.22	-	-
6 VIJAYAKUMAR VENKAT KUMAR	45000	0.98	-	45000	0.98	-	-
7 NIVEDITA LAKSHMI NARAYANASWAMY	210000	4.58	-	210000	4.58	-	-
8 AJEYA VEL NARAYANASWAMY	453000	9.89	-	453000	9.89	-	-
9 ADITYA VIJAYAKUMAR	55255	1.21	-	55255	1.21	-	-
10 KRISHNA SAMARAJ N	46802	1.02	-	46942	1.02	-	-
TOTAL	1942419	42.39	-	1943155	42.41	-	0.02

iii) Change in Promoters' Shareholding (please specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholding during of the year	
	No. of Shares	% of total share of the Company	No. of Shares	% of total share of the Company
1 N. KRISHNA SAMARAJ				
At the beginning of the year	751171	16.39	751171	16.39
Transfer of shares as on 26.02.2016	600	0.02	751771	16.41
Transfer of shares as on 04.03.2016	(4)	0.00	751767	16.41
At the end of the year	751767	16.41	751767	16.41
2 KRISHNA SAMARAJ N				
At the beginning of the year	46802	1.02	46802	1.02
Transfer of Shares as on 01.05.2015	40	0.00	46842	1.02
Transfer of Shares as on 08.05.2015	100	0.00	46942	1.02
At the end of the year	46942	0.00	46942	1.02

NOTE:

No other Changes have taken place in the shareholding of the other promoters during the year under review.

iv) Share holding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during of the year	
	No. of Shares	% of total share of the Company	No. of Shares	% of total share of the Company
1. NIVAM CORPORATION				
At the beginning of the year	156000	3.4	156000	3.4
Transfer of Shares	-	-	-	-
At the end of the year	156000	3.4	156000	3.4
2. V. SHANTHI				
At the beginning of the year	86500	1.89	86500	1.89
1. Transfer of Shares on 18.04.2015	(86500)	1.89	-	-
2. Transfer of Shares on 24.04.2015	89200	1.94	89200	1.94
At the end of the year	89200	1.94	89200	1.94
3. ELGI EQUIPMENT'S LIMITED				
At the beginning of the year	80000	1.75	80000	1.75
Transfer of Shares	-	-	-	-
At the end of the year	80000	1.75	80000	1.75

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during of the year	
	No. of Shares	% of total share of the Company	No. of Shares	% of total share of the Company
4. VERTEX INVESTS CORPORATION PVT. LTD. ##				
At the beginning of the year	66586	1.45	66586	1.45
Transfer of Shares on 24.07.2015- Transfer	(66586)	1.45	-	-
At the end of the year	-	-	-	-
5. HIREN RADIA ##				
At the beginning of the year	44000	0.96	44000	0.96
1. Transfer of Shares on 25.12.2015	(9050)	(0.19)	34950	0.77
2. Transfer of Shares on 11.12.2015	(21554)	(0.47)	13396	0.29
3. Transfer of Shares on 31.12.2015	(4000)	(0.08)	9396	0.20
4. Transfer of Shares on 08.01.2016	(300)	(0.00)	9096	0.19
5. Transfer of Shares on 15.01.2016	(6448)	(0.14)	2648	0.05
6. Transfer of Shares on 22.01.2016	(1318)	(0.02)	1330	0.02
7. Transfer of Shares on 29.01.2016- Transfer	(1330)	(0.02)	-	-
At the end of the year	-	-	-	-
6. HANSA RADIA				
At the beginning of the year	44000	0.96	44000	0.96
1. Transfer of Shares on 11.12.2015	(5640)	(0.13)	38360	0.83
2. Transfer of Shares on 08.01.2016	(6835)	(0.15)	31525	0.68
3. Transfer of Shares on 15.01.2016	(5500)	(0.12)	26025	0.56
At the end of the year	26025	0.56	26025	0.56
7. DINESH RADIA				
At the beginning of the year	42000	0.92	42000	0.92
1. Transfer of Shares on 18.12.2015	(4000)	(0.09)	38000	0.83
2. Transfer of Shares on 25.12.2015	(14766)	(0.33)	23234	0.50
3. Transfer of Shares on 31.12.2015	(3234)	(0.07)	20000	0.43
4. Transfer of Shares on 29.01.2016	(2000)	(0.04)	18000	0.39
5. Transfer of Shares on 05.02.2016	(1000)	(0.02)	17000	0.37
At the end of the year	17000	0.37	17000	0.37
8. M/M. L.G.B. PUBLIC WELFARE SOCIETY				
At the beginning of the year	40265	0.88	40265	0.88
Transfer of Shares	-	-	-	-
At the end of the year	40265	0.88	40265	0.88

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during of the year	
	No. of Shares	% of total share of the Company	No. of Shares	% of total share of the Company
9. KARMEN INTERNATIONAL PVT. LTD.				
At the beginning of the year	35777	0.78	35777	0.78
Transfer of Shares on	-	-	-	-
At the end of the year	35777	0.78	35777	0.78
10. KANNAN P. CHOCK				
At the beginning of the year	31800	0.69	31800	0.69
Transfer of Shares on	-	-	-	-
At the end of the year	31800	0.69	31800	0.69
11. CHANDER MOHAN BHATIA **				
At the beginning of the year	-	-	-	-
1. Transfer of Shares on 15.05.2015	1188	0.02	1188	0.02
2. Transfer of Shares on 22.05.2015	776	0.04	1964	0.04
3. Transfer of Shares on 29.05.2015	1462	0.07	3426	0.07
4. Transfer of Shares on 05.06.2015	224	0.08	3650	0.08
5. Transfer of Shares on 12.06.2015	405	0.08	4055	0.08
6. Transfer of Shares on 19.06.2015	900	0.10	4955	0.10
7. Transfer of Shares on 30.06.2015	700	0.12	5655	0.12
8. Transfer of Shares on 03.07.2015	100	0.12	5755	0.12
9. Transfer of Shares on 24.07.2015	(3018)	(0.06)	2737	0.06
10. Transfer of Shares on 31.07.2015	(2737)	(0.06)	-	-
11. Transfer of Shares on 06.11.2015	10455	0.22	10455	0.22
12. Transfer of Shares on 13.11.2015	104	0.23	10559	0.23
13. Transfer of Shares on 20.11.2015	(9985)	(0.22)	574	0.01
14. Transfer of Shares on 27.11.2015	(574)	(0.01)	-	-
15. Transfer of Shares on 22.01.2016	19509	0.42	19509	0.42
16. Transfer of Shares on 29.01.2016	13120	0.29	32629	0.71
17. Transfer of Shares on 05.02.2016	9700	0.21	42329	0.92
18. Transfer of Shares on 12.02.2016	2350	0.05	44679	0.97
19. Transfer of Shares on 19.02.2016	1050	0.02	45729	0.99
20. Transfer of Shares on 26.02.2016	300	0.01	46029	1.00
21. Transfer of Shares on 04.03.2016	1000	0.02	47029	1.02
22. Transfer of Shares on 11.03.2016	200	0.01	47229	1.03
23. Transfer of Shares on 18.03.2016	(2560)	(0.06)	44669	0.97
24. Transfer of Shares on 25.03.2016	(1878)	(0.04)	42791	0.93
25. Transfer of Shares on 31.03.2016	(788)	(0.02)	42003	0.91
At the end of the year	42003	0.91	42003	0.91

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during of the year	
	No. of Shares	% of total share of the Company	No. of Shares	% of total share of the Company
12. G V NAGABRAHMA **				
At the beginning of the year	16486	0.36	16486	0.36
1. Transfer of Shares on 10.07.2015	4637	0.10	4637	0.46
2. Transfer of Shares on 17.07.2015	1754	0.03	1754	0.499
3. Transfer of Shares on 14.08.2015	746	0.02	746	0.51
4. Transfer of Shares on 11.09.2015	1921	0.04	1921	0.55
5. Transfer of Shares on 18.09.2015	4443	0.10	4443	0.65
6. Transfer of Shares on 25.09.2015	2540	0.06	2540	0.71
7. Transfer of Shares on 30.09.2015	1480	0.03	1480	0.74
8. Transfer of Shares on 02.10.2015	1100	0.02	1100	0.76
9. Transfer of Shares on 09.10.2015	1465	0.03	1465	0.79
At the end of the year	36572	0.79	36572	0.79

** Not in the list of Top 10 shareholders as on 31.03.2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2016.

Ceased to be in the list of Top 10 shareholders as on 31.03.2016. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2015.

v) Shareholding of Directors and Key Managerial Personnel:

Name of Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during of the year	
	No. of Shares	% of total share of the Company	No. of Shares	% of total share of the Company
1. N. KRISHNA SAMARAJ				
At the beginning of the year	751171	16.39	751171	16.39
Transfer of Shares as on 26.02.2016	600	0.02	751771	16.41
Transfer of Shares as on 04.03.2016	(4)	0.00	751767	16.41
At the end of the year	751767	16.41	751767	16.41
2. J. VIJAYAKUMAR				
At the beginning of the year	10100	0.22	10100	0.22
Transfer of Shares	-	-	-	-
At the end of the year	10100	0.22	10100	0.22

v) Shareholding of Directors and Key Managerial Personnel:

Name of Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during of the year	
	No. of Shares	% of total share of the Company	No. of Shares	% of total share of the Company
3. KRISHNA SAMARAJ N				
At beginning of the year	46802	1.02	46802	1.02
Transfer of shares as on 01.05.2015	40	1.02	46842	1.02
Transfer of shares as on 08.05.2015	100	1.02	46942	1.02
At the end of the year	46942	1.02	46942	1.02
4. NANDINI RANGASWAMY	0	0.00	0	0.00
At beginning of the year	0	0.00	0	0.00
At the end of the year				
5. CHERUKOORI RAMASWAMY NAIDU SWAMINATHAN				
At beginning of the year	0	0.00	0	0.00
At the end of the year	0	0.00	0	0.00
6. JAIRAM VARADARAJ				
At beginning of the year	0	0.00	0	0.00
At the end of the year	0	0.00	0	0.00
7. KARUPPUSWAMY GNANASEKARAN				
At beginning of the year	0	0.00	0	0.00
At the end of the year	0	0.00	0	0.00
8. RAJENDRAN V *				
At the beginning of the year	5000	0.11	5000	0.11
bonus/sweat/equity etc):	-	-	-	-
At the end of the year	5000	0.11	5000	0.11
At the end of the year	0	0.00	0	0.00
9. RAVI RAJAGOPALAN (CFO)				
At beginning of the year	0	0.00	0	0.00
At the end of the year	0	0.00	0	0.00
10. SANGEETHA CHINNASAMY (CS)				
At beginning of the year	0	0.00	0	0.00
At the end of the year	0	0.00	0	0.00

*Resigned on 31.12.2015

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amount in Rs. Lakhs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2036.55	0.82	--	2037.37
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	5.95	--	--	5.95
Total (i+ii+iii)	2042.50	0.82	--	2043.32
Change in Indebtedness during the financial year				
* Addition	--	162.56	--	162.56
* Reduction	(1234.59)	--	--	(1234.59)
Net Change	(1234.59)	162.56	--	(1072.03)
Indebtedness at the end of the financial year				
i) Principal Amount	655.94	114.56	--	770.50
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	151.97	48.82	--	200.79
Total (i+ii+iii)	807.91	163.38	--	971.29

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managerial Director, Whole - Time Directors and/ or Manager :

Amount in Rs.

S. No.	Particulars of Remuneration	Name of Managing Director Sri. Krishna Samaraj N	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	42,00,000	42,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	19,200	19,200

Amount in Rs.

S. No.	Particulars of Remuneration	Name of Managing Director Sri. Krishna Samaraj N	Total Amount
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--
2.	Stock Option	--	--
3.	Sweat Equity	--	--
4.	Commission - as % of profit - others, specify...	6,06,429 --	6,06,429 --
5.	Others, please specify- Sitting Fee	57,500	57,500
	Total (A)	48,83,129	48,83,129
	Ceiling as per the Act	48,83,129	48,83,129

B. Remuneration to Other Directors

Amount in Rs.

S. No.	Particulars of Remuneration	Name of Directors					Total Amount	
		C.R. Swaminathan	V. Rajendran*	R. Nandhini	J. Vijayakumar	Jairam Varadaraj		K. Gnanasekaran
1.	Independent Directors							
	Fee for attending board committee meetings	62,500	-	37,500	-	22,500	50,000	1,72,500
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	62,500		37,500		22,500	50,000	1,72,500
2.	Other Non-Executive Directors							
	Fee for attending board committee meetings	-	22,500	-	82,500	-	-	1,00,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	22,500	-	82,500	-	-	1,00,000
	Total (B)=(1+2)	62,500	22,500	37,500	82,500	22,500	50,000	2,77,500
	Total Managerial Remuneration	62,500	22,500	37,500	82,500	22,500	50,000	51,60,629
	Overall Ceiling as per the Act	Not Exceeding Rs.1 Lakhs per Meeting						

* upto 31.12.2015

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD Amount in Rs.

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	CS	
		Ravi. R.	Sangeetha. C. W.E.F 30.07.2015	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	26,46,000	2,57,560	29,03,560
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--	--
2.	Stock Option	--	--	--
3.	Sweat Equity			
4.	Commission	--	--	--
	- as % of profit	--	--	--
	- others, specify...	--	--	--
5.	Others, please specify	--	--	--
	Total (C)	26,46,000	2,57,560	29,03,560

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. DIRECTORS					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. OTHER OFFICERS IN DEFAULT					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

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

Coimbatore
28th May 2016

C.R. Swaminathan
Director
DIN : 00002169

N. Krishna Samaraj
Managing Director
DIN : 00048547

ANNEXURE - C

REMUNERATION POLICY:

Pursuant to the securities and Exchange Board of India (Listing Obligations and disclosure requirements) Regulations and Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board of Directors of the Company has formulated the policy on the nomination and remuneration of Directors, Key Managerial Persons and Senior Management personnel .

The salient features of the policy are:

1. Determination of persons who are qualified to be appointed as Directors and persons who can be appointed as Senior Management and Key Managerial positions and the remuneration payable to such persons.
2. Guide the Board in relation to the appointment of Directors, Key Managerial Persons and the trends and practices prevailing in the industry.
3. Evaluation of the performance of the Directors and Key Managerial and Senior Management persons
4. Duties and responsibilities of the Committee.
5. Reporting to the Board on matters relating to the nomination and remuneration of Directors , Key Managerial and Senior Management persons.

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

The Company, being a power intensive one, constantly focuses its attention on conserving energy wherever possible. During the year under review, the Company replaced the CFL lighting with LED. The Induction Furnace, which consumes the maximum energy, is constantly fine tuned to save energy.

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

YEAR	2012	2013	2014	2015	2016
Number of Units per Ton of good castings	1743	1724	1735	1667	1674

Power Consumption	2015-16		2014 -15	
	No of Units	Percentage	No of Units	Percentage
Total Electricity	1,07,87,082	100%	1,08,76,240	100%
Own Generation - Windmill	47,70,029	44.22%	62,46,559	57%
Purchased from TNEB	60,17,053	55.78%	46,29,681	43%
Third Party Purchase	NIL	NIL	NIL	NIL

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

The Company has installed four Wind Energy Generators with a total capacity of 4MW as part of the Green initiative and generation of Clean Energy.

(iii) Capital Investment on energy conservation equipment: Nil**Technology absorption & Research & Development****Technology Absorption, Adaptation and Innovation:****1) Efforts made towards technology absorption, adaptation and innovation:**

Only indigenous technology is being used, supported by in-house R&D activities.

Benefits derived as a result of the above efforts:

- Ensures development and delivery of new products with the latest technology
- Meet customer targets on quality, price and delivery

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: (Amount in Rs. lakhs)

Expenditure on R&D	2015-2016	2014-2015
Capital	6.23	0.18
Revenue	13.10	14.01
Total	19.33	14.19
R&D Expenditure as a percentage of Turnover	0.21	0.14

Foreign Exchange earnings & outgo:

The Export market during the year under review was subdued due to weak US and European markets. There is still no sign of recovery in the markets where the Company is supplying its products.

The Company is continuously focusing its attention on new customers and new products from its existing customers.

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

- a) Earnings : Rs. 5596.01 lakhs
- b) Outgo : Rs 753.22 lakhs

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

Coimbatore
28th May 2016

C.R. Swaminathan
Director
DIN : 00002169

N. Krishna Samaraj
Managing Director
DIN : 00048547

ANNEXURE - E**Annual Report on Corporate Social Responsibility (CSR) Activities**

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company has outlined the major areas wherein the CSR activities are proposed to be undertaken by the Company.

Some of the major thrust areas are:

1. Healthcare and medical facilities
2. Promoting education and undertaking activities for improvement of schools , especially Government primary schools.
3. Provide funds for various Annadhana schemes for eradicating hunger and poverty.
4. Ensuring environmental sustainability and ecological balance

The policy relating to CSR has been displayed on the Company's website and can be accessed at <http://www.magnacast.com/financial/223.pdf>

2. Composition of CSR Committee

The CSR Committee of the Board of Directors has been constituted with the following directors as its members during this financial year:

Sri.C.R.Swaminathan - Chairman
Smt.R.Nandini - Member
Sri.N.Krishna Samaraj - Member

3. Average Net Profit of the Company for last three Financial Years:

Average net profit: Rs. 772.58 lakhs

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above)

The Company was required to spend Rs. 15.45 lakhs towards CSR during the year

5. Details of CSR spent during the Financial Year 2015-16

a) Total amount spent for the financial year : Rs. 15.80 lakhs

b) Amount unspent, if any; Rs. Nil

c) Manner in which the amount spent during the financial year is detailed below:

S. No.	CSR Project or Activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or programs-wise (Rs in Actuals)	Amount spent on the project or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Over-heads: (Rs in Actuals)	Cumulative Expenditures up to the reporting period (Rs in Actuals)	Amount spent, direct or through implementing agencies* (Rs in Actuals)
1.	Healthcare	Healthcare	Others-Andhra Pradesh	12,00,000	11,00,000	-	Thro'IA
2.	Environment	Environment	Local	1,00,000	3,31,401	-	Thro'IA
3.	Education	Education	Local	2,00,000	1,48,599	-	Direct
	TOTAL			15,00,000	15,80,000	-	

6. Reasons for not spending an amount equal 2% of the Average Net Profits of the last three financial years:

Not applicable

7. Responsibility statement of the CSR Committee:

The CSR Committee confirms that the implementation and governance of CSR Programs have been elaborated in the Company's CSR policy. The CSR Committee further confirms that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and policy of the Company.

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

Coimbatore
28th May 2016

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

N. Krishna Samaraj
Managing Director
DIN : 00048547

ANNEXURE - F**Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31st March 2016**

[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]

To
The Members,
Magna Electro Castings Limited
(CIN: L31103TZ1990PLC002836)
Old No.62, New No.43,
Balasundaram Road,
Coimbatore - 641018.

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

Based on my verification of **M/s. Magna Electro Castings Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2016**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Companies Act, 1956 (the Act) and the rules made thereunder (to the extent applicable);
- iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iv. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- v. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Enforced from 1st December 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, 1992 (till 14th May 2015) and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Enforced from 15th May 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;

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

- a. Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI) and made applicable with effect from 1st July, 2015 and it was noted that the Company has generally complied with the same, however the stricter applicability of the Secretarial Standards is to be observed by the company;
- b. Listing Agreements entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards etc., mentioned above.

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

- a. Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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, 2009;
- c. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

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

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Women 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 the 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 Committee of the Board, as the case may be.

MAGNA

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

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

- i) Public / Rights / Preferential issue of shares / debentures / sweat equity
- ii) Redemption / buy-back of securities
- iii) Major decision taken by the members in pursuant to Section 180 of the Companies Act, 2013
- iv) Merger / amalgamation / reconstruction etc
- v) Foreign technical collaborations

Place: Coimbatore
Date: 28.05.2016

M D Selvaraj
MDS & Associates
Company Secretaries
FCS No.: 960, C P No.: 411

(This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report).

'Annexure A'

To
The Members,
Magna Electro Castings Limited
(CIN: L31103TZ1990PLC002836)
Old No.62, New No.43,
Balasundaram Road,
Coimbatore - 641018.

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulation, standards is the responsibility of the management. My examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Coimbatore
Date: 28.05.2016

M D Selvaraj
MDS & Associates
Company Secretaries
FCS No.: 960, C P No.: 411

ANNEXURE - G

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 the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1.	Ratio of remuneration of the Managing director to the median remuneration of the employees of the company for the financial year	22%
2.	Percentage increase in remuneration of the Managing Director and Company Secretary	
	a. Managing Director	10.95%
	b. CFO	1.5%
	b. Company Secretary	NA (Appointed during the year)
3.	Percentage increase in median remuneration of employees in the financial year	9%
4.	No of permanent employees on the rolls of the Company	145 (last year 168)
5.	Explanation of the relationship between average increase in remuneration and Company performance	The average increase in remuneration is 9%; Company's performance has decreased by 8.07%
6.	Comparison of the remuneration of Key Managerial Personnel against the Company's performance	MD's remuneration has increased by 10.95% and CFO's by 1.50% vis a vis 8.07% of the Company's decrease
7.	a. Variation in the Market capitalization of the Company	7.14% 31.3.2015:Rs.51.96 crores 31.3.2016:Rs.55.67 crores
	b. Price Earnings ratio	As at 31/3/2016 9.37
		As at 31/3/2015 9.57
	c. Percentage increase in market quotations	1%
	d. Variation in Net Worth	As at 31/3/2016 13.54%;Rs.46.46 crores
		As at 31/3/2015 12.14%;Rs.40.92 crores
8.	Average percentile increase in employees remuneration (other than managerial remuneration) in the last financial year	9%

	Percentage increase in managerial remuneration	6.25%
9.	The Key parameters for any variable component of remuneration availed by the directors	Not applicable
10.	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	None of the employees of the Company receive remuneration in excess of the highest paid director during the year
11.	The Directors affirm that the remuneration paid is as per the remuneration policy of the Company	

The disclosure referred to the Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 does not apply to the Company as there were no employees who are in receipt of remuneration in the aggregate at the rate of not less than Rs.60,00,000/- if employed throughout the year or Rs.5,00,000/- per month if employed for part of the year

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2016, in terms of Regulation 34(4) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Agreement").

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

The corporate vision of Magna is to ensure that business is conducted in the best interest of all stake holders. Magna has consistently adopted the best practices in Corporate governance, thereby ensuring that the highest standards of ethical practices are conducted in such a manner to benefit all stakeholders involved.

2. Board of Directors

The Company's Board of Directors comprises of six Directors (out of which four (4) are Independent Directors, including one (1) Woman Director). Mr.N.Krishna Samaraj is the Managing Director and all others are Non-Executive Directors.

The composition of the Board of Directors of the Company is as under:

SI.No.	Name	Director/ Chairman	Category	No. of other Companies in which he is a Director #	Committee in which he is a member/ Chairman in other Companies \$
1	Sri.J.Vijayakumar (DIN: 00002530)	Director	Non-Executive/ Non Independent	1	Nil / Nil
2	Sri. N. Krishna Samaraj (DIN: 00048547)	Managing Director	Promoter & Executive/ Non Independent	1	Nil / Nil
3	Sri. K.Gnanasekaran (DIN: 00133645)	Director	Non Executive/ Independent	1	1 / 1
4	Smt.R.Nandini (DIN: 00002223)	Director	Non Executive/ Independent	0	Nil / Nil
5	Dr.Jairam Varadaraj (DIN: 00058056)	Director	Non Executive/ Independent	8	4 / 1
6	Sri. C.R. Swaminathan (DIN: 00002169)	Director	Non Executive/ Independent	5	3 / 1

Excludes directorships in Private Companies and Foreign Companies

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

Note: Sri.V. Rajendran, Director has resigned from the Board with effect from 31.12.2015.

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

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

b. Number of Board meetings held and attended by the Directors:

Five Meetings of the Board of directors were held during the year ended 31st March 2016 on (i) May 28, 2015; (ii) July 30, 2015; (iii) October 29, 2015; (iv) January 25, 2016; (v) March 31, 2016 ; Attendance recorded of each of the Directors at the Board Meetings during the year ended 31st March 2016 as also of the Annual General Meeting is as follows:

Name of the Director	No of Board Meetings attended	Attendance at the last AGM
Sri. V.Rajendran (upto 31.12.2015)	1	Yes
Sri. J.Vijayakumar	5	No
Sri. N.Krishna Samaraj	5	Yes
Sri. K.Gnanasekaran	4	Yes
Smt. R.Nandini	3	Yes
Dr. Jairam Varadaraj	3	No
Sri. C.R. Swaminathan	5	No

As required, a brief profile of the Director (s) seeking appointment/re-appointment is furnished in the Notice of the 26th Annual General Meeting and forms part of the Corporate Governance Report.

Statement showing number of Equity Shares held by the Non-Executive Directors as on 31st March, 2016:

Name of the Director	No. of Shares held (as on 31.03.2016)
Sri.J.Vijayakumar	10,100
Sri.K.Gnanasekaran	-
Smt.R.Nandini	-
Dr.Jairam Varadaraj	-
Sri.C.R.Swaminathan	-

INDEPENDENT DIRECTORS

Familiarization Program for Independent Directors:

The Company through its Managing Director / Key Managerial Personnel conducts programs and presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.

In order to provide the Independent Directors with a thorough understanding of the activities of the Company and the various initiatives taken with regard to safety, quality, CSR, sustainability, etc., the Independent Directors are provided with an opportunity to visit the Company's plants, where the plant heads apprise them of the operational and sustainability aspects.

At the time of appointment of an Independent Director, a meeting is set-up with the Key Managerial Personnel in order to discuss the functioning's 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 <http://www.magnacast.com/financial/254.pdf>.

Performance evaluation of Non-Executive Directors and Independent Directors:

Pursuant to the provisions of the Companies Act, 2013 and 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.

Separate Meeting of the Independent Directors:

The independent Directors' meeting was held on 31st March 2016 without the attendance of Non-Independent Directors and members of Management and they interalia, reviewed the performance of the Non-Independent Directors and the Board as a whole and accessed the quality, quantity and timeliness of flow of information between the Company and the Board.

COMMITTEES OF THE BOARD

3. Audit Committee

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 Audit Committee consists of four Directors and is chaired by Sri. C.R.Swaminathan. The Audit committee meetings were held on (i) May 28, 2015; (ii) July 30, 2015; (iii) October 29, 2015; (iv) January 25, 2016; (v) March 31, 2016.

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

	Name of the Member	Category	No. of Meetings held	No. of Meetings attended
1.	Sri.C.R.Swaminathan (Chairman)	Non-Executive/ Independent	5	5
2.	Sri.J.Vijayakumar (Member)	Non-Executive/ Non-Independent	5	5
3.	Sri.K.Gnanasekaran (Member)	Non-Executive/ Independent	5	4
4.	Smt.R.Nandini (Member)	Non-Executive/ Independent	5	3
5.	Sri.V.Rajendran (Member) upto 31.12.2015	Non-Executive/ Non-Independent	3 (upto 31.12.2015)	1

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 year 2015-16, before it was placed in the Board.

4. Nomination and Remuneration Committee

The role, powers and functions of the Nomination and Remuneration Committee are as per Section 178 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 19 read with part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

The Nomination and Remuneration Committee comprises of Sri.K.Gnanasekaran, Chairman of the Committee, Smt. R. Nandini and Dr. Jairam Varadaraj. The meetings of the Committee were held on 23rd July, 2015 and 31st March, 2016 during the period under review.

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

	Name of the Member	No. of Meetings held	No. of Meetings attended
1.	Sri.K.Gnanasekaran (Chairman)	2	2
2.	Dr. Jairam Varadaraj (Member)	2	2
3.	Smt. R. Nandini (Member) with effect from 25.01.2016	1 (wef 25.01.2016)	1
4.	Sri.V.Rajendran (Chairman) Upto 31.12.2015	1 (upto 31.12.2015)	1

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

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

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for fixing and revising remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and employees of the Company. The Remuneration policy of the Company is annexed herewith as Annexure C and can also be accessed on the Company's website at the link <http://www.magnacast.com/financial/229.pdf>.

DETAILS OF REMUNERATION

Remuneration and sitting fees paid to Executive and Non-Executive Directors during the year ended 31st March 2016:

Amount in Rs.

Name	Salary	Perquisites	Sitting Fees	Commission	Total
Sri.V.Rajendran	-	-	22,500	-	22,500
Sri.J.Vijayakumar	-	-	82,500	-	82,500
Sri.K.Gnanasekaran	-	-	50,000	-	50,000
Smt.R.Nandini	-	-	37,500	-	37,500
Dr.Jairam Varadaraj	-	-	22,500	-	22,500
Sri.C.R.Swaminathan	-	-	62,500	-	62,500
Sri.N.Krishna Samaraj	42,00,000	19,200	57,500	6,06,429	48,83,129

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

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

The Company currently does not have any Stock Option Scheme.

5. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee comprises of two directors. The Committee is chaired by Sri.J.Vijayakumar. The Committee meetings were held on (i) May 28, 2015; (ii) July 30, 2015; (iii) October 29, 2015; (iv) January 25, 2016.

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

	Name of the Member	Category	No. of Meetings held	No. of Meetings attended
1.	Sri.J.Vijayakumar (Chairman)	Non-Executive/ Non-Independent	4	4
2.	Sri.N.Krishna Samaraj	Executive/ Non-Independent	4	4
3.	Sri.V.Rajendran (upto 31.12.2015)	Non-Executive/ Non-Independent	3 (upto 31.12.2015)	2

Sri. R. Ravi was the Company Secretary and Compliance Officer of the Company up to July 30, 2015 and Smt.Sangeetha .C was the Company Secretary and Compliance Officer of the Company with effect from July 30, 2015 for complying with the requirements of SEBI regulations and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee deals in matters relating to redressing of investor's complaints such as non-receipt of shares, non-receipt of dividends etc. and other matters related to shares.

The total number of complaints received and replied to the satisfaction of shareholders during the year ended on 31st March 2016 was Nil. There were no outstanding complaints as on 31st March 2016.

Pursuant to Clause 47(c) of the Listing Agreement/ Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practising Company Secretary has been submitted to the Stock Exchanges within stipulated time.

Unclaimed Suspense Account:

Since there are no unclaimed shares, the Company has not opened unclaimed suspense account.

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 their Board encompasses:

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

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The Committee comprises of three members Sri.C.R.Swaminathan, Smt.R.Nandini, Sri.N.Krishna Samaraj. During the year under review, the Committee had met on 10th March, 2016.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

7. General Body Meetings

Location and time for last three Annual General Meetings 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
2014-15	23.09.2015	3.30 pm	Ardra Conference Center, North Huzur Road, Coimbatore 641 018	-Nil-
2013-14	25.09.2014	3.30 pm	Ardra Conference Center, North Huzur Road, Coimbatore 641 018	a. Authorization to mortgage, hypothecate or create charge on the assets of the Company pursuant to section 180(1)(a) of the Companies Act, 2013 b. Authorizing Board of Directors to borrow upto a limit of Rs.25 crores pursuant to section 180(1)(c) of the Companies Act, 2013
2012-13	25.09.2013	3.30 pm	Ardra Conference Center, North Huzur Road, Coimbatore 641 018	-Nil-

8. EGM and POSTAL BALLOT:

During the year no EGM was held. No resolutions were put through postal ballot last year. No Special resolution requiring postal ballot is being proposed.

9. Means of Communication

The Company is regularly publishing quarterly unaudited and audited financial results and notice advertisements in The Business Line and Malaimalar (vernacular language). The Company is posting the quarterly results and other statutory information in the Company's website www.magnacast.com. The Company has not made any presentations to the institutional investors or to the analysts.

10. General shareholder information

i

i. AGM date, time and venue	15th September 2016 at 10.30 A.M. Ardra Conference Center, North Huzur Road, Coimbatore 641 018.
ii. Financial calendar	1 st April to 31 st March
iii. Book Closure date	9 th September 2016 to 15 th September 2016 (Both days inclusive)
iv. Dividend payment date	On or after 15 th September 2016, within 30 days from the date of AGM
v. Listing on Stock Exchanges	BSE Limited, Mumbai
vi. Scrip Code Stock Exchange, Mumbai	517449
vii. Registrars and Share Transfer Agents for both Dematerialised and physical shares	M/s SKDC Consultants Limited Kanapathy Towers, III Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore 641 006
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	Share transfers are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects, by the Share Transfer Committee which meets at regular intervals.

ii. The Stock market during the year at the Stock Exchange, Mumbai is furnished below (in rupees):

Month	High	Low
Apr 2015	145.00	101.20
May 2015	140.00	107.00
Jun 2015	129.00	106.00
Jul 2015	144.00	110.10
Aug 2015	137.50	101.70
Sep 2015	127.00	97.50
Oct 2015	123.90	99.00
Nov 2015	122.50	106.40
Dec 2015	167.00	116.50
Jan 2016	161.90	113.90
Feb 2016	153.00	115.00
Mar 2016	135.90	114.30

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iii. Performance in comparison to broad-based indices (such as CRISIL Index, Sensex, etc.):

Month	Bombay Stock Exchange			
	Share Price		Sensex	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr 2015	145.00	101.20	29,095	26,898
May 2015	140.00	107.00	28,071	26,424
Jun 2015	129.00	106.00	27,969	26,307
Jul 2015	144.00	110.10	28,578	27,416
Aug 2015	137.50	101.70	28,418	25,298
Sep 2015	127.00	97.50	26,472	24,834
Oct 2015	123.90	99.00	27,618	26,169
Nov 2015	122.50	106.40	26,824	25,451
Dec 2015	167.00	116.50	26,256	24,868
Jan 2016	161.90	113.90	26,197	23,840
Feb 2016	153.00	115.00	25,002	22,495
Mar 2016	135.90	114.30	25,480	23,133

iv. Shareholding pattern as on 31st March, 2016

Category	No of Shares held	% of Share Holding
Indian Promoters	19,43,155	42.41
Mutual Funds and UTI	600	0.01
Private Corporate bodies	3,09,465	6.75
Indian Public	18,56,252	40.51
NRIs/ OCBs	4,21,723	9.20
Directors & Relatives	51,005	1.12
Grand Total	45,82,200	100.00

v. Distribution of shareholding as on 31st March, 2016

Share holding (Range)	No. of Holders	% of Holders	No. of Shares	% of Shares
1 - 500	3787	87.60	531201	11.59
501 - 1000	164	3.79	132341	2.89
1001 - 2000	121	2.80	182956	3.99
2001 - 3000	137	3.17	345652	7.54
3001 - 4000	21	0.49	73565	1.61
4001 - 5000	17	0.39	81470	1.78
5001 - 10000	27	0.63	199358	4.35
10001 and above	49	1.13	3035657	66.25
Total	4323	100.00	4582200	100.00

vi. Dematerialisation of shareholding and liquidity	Number of shares dematerialized : 38,25,439 Percentage : 83.49 % (Promoters have completely dematerialized their shareholdings)
vii. Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity	Not Applicable
viii. Plant location	SF No.34 and 35 Part Coimbatore, Pollachi main road, Mullipadi village, Tamaraikulam Post Pollachi taluk, Coimbatore District Pin: 642 109
ix. Address for Correspondence and Registered office	43 (Old No.62), Balasundaram road Coimbatore 641 018, Tamil Nadu.

11. Disclosure

a. Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company 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.

b. Details of non-compliance by the company, penalties, and strictures imposed on the company by Stock exchange or SEBI or any statutory authority, on any matter related to capital market during the last three years:

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

c. 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 <http://www.magnacast.com/financial/227.pdf>

d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

The Company complies with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

e. 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.

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

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

g. Disclosure on accounting treatment:

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

h. Disclosure on risk management:

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

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.

12. Certificate from CEO and CFO:

The CEO 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.

13. 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.

14. 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 www.magnacast.com.

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, 2016 affirmed compliance with the Code of Conduct laid down by the Board of Directors and Senior Management in terms of Regulation 25(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

By order of the Board

N. Krishna Samaraj
Managing Director
DIN : 00048547

Place : Coimbatore
Date : 28th May 2016

MANAGEMENT DISCUSSION AND ANALYSIS

Overview:

Magna's corporate vision is to ensure a sustainable business model, provide customers with products and services consistently conforming to customer requirements at the right time, cost and quality and maintain a leadership position in the segments in which it is operating. This objective is sought to be achieved through total employee involvement, plant improvements, continuous process developments and conforming to ethical business practices.

The financial statements presented here have been prepared in compliance with the requirements of the Companies Act, 2013, various statutory enactments and Generally Accepted Accounting Principles.

Industry structure and developments:

India is now the third largest producer of metal castings in the world, which has seen a phenomenal growth during the last decade. The production of castings has increased from 6.05 Million M.T. in 2005-06 to 10.02 Million M.T. in 2014-15, a phenomenal growth of 65% over a decade. However this is only about 10% of the total global production. Most of the units in India fall under the MSME category in various foundry clusters. The role of the foundry industry to support manufacturing is vital and this is not possible without the sustainable growth of the foundry sector.

Opportunities and Threats:

It is estimated that the industry's production will have to be increased to at least 30 Million Tons in the next decade to meet the demand for castings for the various sectors. Hence a huge potential is there for the industry to augment their capacities. The demand of castings, therefore, is likely to grow manifold in India, consequent upon the emphasis laid by the Government on infrastructure development, power generation and other core sectors.

Exports from India which was growing at a healthy rate earlier, however has contracted during the last 4 to 5 years.

Environment, Safety and Energy Conservation Policy:

Magna is aware of its responsibility to protect the Nature's scarce resources and the environment. The Company has commissioned a Thermal Sand Reclamation Plant which will enable the Company in reducing its sand consumption by more than 50%.

Risks and concerns:

The Company has a comprehensive risk appraisal system in place to identify, evaluate and mitigate risk for the Company. The system is being reviewed by the Management at periodic intervals to suggest any improvement. The system seeks to minimize the adverse impact such risks might have on the business operations.

Internal control systems and their adequacy:

The Company has a comprehensive and adequate system of internal controls in place, commensurate to its size and volume of business. The internal control systems are reviewed periodically in order to check whether the system covers all functional areas and activities of the Company. The Audit Committee of the Board of Directors of the Company also meets every quarter to review the reports of the Internal Auditors and ensure that the internal control and systems are adequate and that all statutory requirements are complied with. The Committee also suggests if any remedial measures are to be taken.

Personnel:

The Foundry industry is a highly labour intensive one and hence proper motivation is essential. The Company is aware that the employees of the Company are its greatest asset and hence the need for creating a favorable environment for the employees to work. The Company recognizing the importance of its human resources has embarked on a HR initiative by engaging consultants to suggest and implement suitable HR policies. The Company hopes that this will enable to increase its overall productivity in the next couple of years.

Cautionary Statement:

The view expressed herein may be forward looking within the legal frame-work, but the actual results may differ from what has been expressed due to various factors. The information given herein is based on information available with the Company and its judgement. This judgement depends upon the Company's perception. Any investment by shareholders/ investors should therefore be based on their individual analysis.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of **Magna Electro Castings Limited**

1. We have examined the compliance of conditions of Corporate Governance by Magna Electro Castings Limited ("the Company"), for the year ended on March 31, 2016, as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges for the period from April 1, 2015 to November 30, 2015 and as per the relevant provision of Securities and exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in Regulation 15(2) of the Listing Regulations for the period December 1, 2015 to March 31, 2016:
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We 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 **S. Krishnamoorthy & Co.**
Chartered Accountants
(Registration No. 001496S)

Place : Coimbatore
Date : 28th May 2016

K.N. Sreedharan
Partner, Auditor
Membership No. 12026

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF MAGNA ELECTRO CASTINGS LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of Magna Electro Castings Limited ('the Company'), which comprise the Balance sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, and ensuring their operating effectiveness for the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) in the case of Statement of Profit and Loss, the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.Krishnamoorthy & Co.**
Chartered Accountants
(Registration No. 001496S)

K.N. SREEDHARAN
Partner, Auditor
Membership No.12026

Place : Coimbatore
Date : 28th May 2016

**The Annexure A referred to in paragraph 1 of Report on
Other Legal and Regulatory Requirements**

According to the information and explanations sought by us and given by the Company and the books and records examined by us during the course of our Audit and to the best of our knowledge and belief we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As per the information and explanation given to us, the fixed assets of the company have been physically verified by the management during the year at reasonable intervals having regard to size of the company and nature of its assets. No material discrepancies were noticed on such verification.
 - (c) The title deeds of all the immovable properties of the company shown under the Fixed Assets schedule are held in the name of the company.
- (ii) The stocks of finished goods, stores, spares and raw materials of the Company have been physically verified by the management during the year at reasonable intervals. In our opinion the frequency of such verification is reasonable and no material discrepancies were noticed.
- (iii) The Company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The company has not granted any loan to directors or to any other person in whom the director is interested or given any guarantee or provided any security in connection with any loan taken by the director or such other person as contemplated in section 185 of the Act. The company has also not given any loan or made any investment as contemplated under section 186 of the Act.
- (v) The company has not accepted any deposits to which the provisions of sec.73 to 76 or any other relevant provisions of the act and the rules framed there under and the directions issued by the RBI are applicable.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the central government for the maintenance of cost records u/s. 148 of the act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or not.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax wealth tax, Customs duty, Excise duty. Cess and any other statutory dues with the appropriate authorities and

No undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, wealth tax, Customs duty, Excise duty. Cess and any other statutory dues were in arrears as at 31.03.2016 for a period of more than six months from the date they became payable.

 - (b) According to the Information and explanations given to us, there are no dues of Sales tax, Service tax, Duty on customs, Duty on excise, Cess and which have not been deposited with the appropriate authorities on account of any dispute. The particulars of Income Tax which have not been deposited on account of a dispute are as follows

MAGNA ELECTRO CASTINGS LIMITED

Name of the Statute	Nature of the Dues	Amount as on 31.03.2016 (in Rs.)	Period to Which the amount relates	Forum where dispute is pending	Remarks
Income Tax Act, 1961	Regular	4,32,198	Asst. Year 2007 - 2008	CIT (A)	-

- (viii) Based on our audit procedure, we are of the opinion that the company has not defaulted in the repayment of dues to bank, financial institution, Government or debenture holders.
- (ix) The company has not availed any term loan or raised money by initial public offer or further public offer (including debt instruments) during the year.
- (x) Based upon the audit procedures performed and information and explanation given by the management, no frauds by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The company has paid/provided for managerial remuneration in accordance with the requisite approval mandated by the provisions of section 197 read with Schedule V of the act.
- (xii) The company is not a nidhi company and therefore this clause is not applicable.
- (xiii) All transactions with the related parties are in compliance with sec. 177 and sec. 188 of the Act. Details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) The company has not entered into non cash transactions with directors or persons connected with them.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **S.Krishnamoorthy & Co.**
Chartered Accountants
(Registration No. 001496S)

Place: Coimbatore
Date: 28th May 2016

K.N.Sreedharan
Partner, Auditor
Membership No.12026

Annexure - B to the Auditors' Report**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Magna Electro Castings Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The 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 on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.Krishnamoorthy & Co.**
Chartered Accountants
(Registration No. 001496S)

Place: Coimbatore
Date: 28th May 2016

K.N.Sreedharan
Partner, Auditor
Membership No.12026

MAGNA

BALANCE SHEET AS AT 31st MARCH 2016

(Amount in Rs.)

Particulars	Note No.	31.03.2016	31.03.2015
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	4,58,22,000	4,58,22,000
(b) Reserves and surplus	2	41,88,21,065	36,33,76,047
		<u>46,46,43,065</u>	<u>40,91,98,047</u>
2 Non-current liabilities			
(a) Long-term borrowings	3	2,58,69,979	2,93,95,561
(b) Deferred tax liabilities (Net)	4	5,54,69,491	5,19,72,412
		<u>8,13,39,470</u>	<u>8,13,67,973</u>
3 Current liabilities			
(a) Short-term borrowings	5	5,11,79,946	14,71,78,143
(b) Trade payables	6	12,53,09,964	13,64,91,845
(c) Other current liabilities	7	2,44,09,893	3,40,98,381
(d) Short-term provisions	8	1,66,19,750	1,68,18,364
		<u>21,75,19,553</u>	<u>33,45,86,733</u>
TOTAL		<u>76,35,02,088</u>	<u>82,51,52,753</u>
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		42,48,64,618	40,93,03,452
(ii) Intangible assets		66,474	77,222
(b) Long-term loans and advances	10	2,23,39,808	1,64,32,618
(c) Other Non-Current Assets		-	-
		<u>44,72,70,900</u>	<u>42,58,13,292</u>
2 Current assets			
(a) Inventories	11	6,08,89,050	6,72,08,005
(b) Trade receivables	12	19,08,14,545	24,94,61,158
(c) Cash and cash equivalents	13	1,51,38,246	1,34,58,373
(d) Short-term loans and advances	14	4,72,35,785	6,56,94,483
(e) Other current assets	15	21,53,562	35,17,442
		<u>31,62,31,188</u>	<u>39,93,39,461</u>
TOTAL		<u>76,35,02,088</u>	<u>82,51,52,753</u>

See accompanying notes to the financial statements

As per our report annexed
for **S.Krishnamoorthy & Co.**
Chartered Accountants
Registration No. 001496S

R. Ravi
Chief Financial Officer

C.R. Swaminathan
Director
DIN : 00002169

K.N.Sreedharan
Membership No. : 12026
Partner
Auditor

C. Sangeetha
Company Secretary

N.Krishna Samaraj
Managing Director
DIN : 00048547

Coimbatore
28th May 2016

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

(Amount in Rs.)

Particulars	Note No.	31.03.2016	31.03.2015
I Revenue from Operations	16	93,43,31,608	1,01,43,88,920
II Other Income	17	90,29,322	45,09,763
III Total Revenue (I + II)		94,33,60,930	1,01,88,98,683
IV Expenses:			
Cost of Materials Consumed	18	31,21,27,404	38,63,01,845
Changes in Inventories of Finished Goods, Work in Progress and Stock - In - Trade	19	(27,63,899)	27,21,144
Employee Benefits Expenses	20	8,37,94,978	7,81,93,132
Finance Costs	21	1,56,03,841	2,31,79,650
Depreciation and Amortization Expense		4,62,56,518	4,41,58,020
Other expenses	22	39,73,69,935	40,06,48,309
Total expenses		85,23,88,777	93,52,02,100
V Profit before exceptional and extraordinary items and tax (III-IV)		9,09,72,153	8,36,96,583
VI Exceptional Items		-	-
VII Profit before Extraordinary Items and Tax (V-VI)		9,09,72,153	8,36,96,583
VIII Extraordinary Items		-	-
IX Profit before Tax (VII-VIII)		9,09,72,153	8,36,96,583
X Tax expenses:			
(1) Current Tax		2,10,00,000	2,25,00,000
(2) Prior Year Income Tax		-	(18,81,182)
(3) Deferred Tax Liability - (Reversed)		34,97,079	87,93,290
XI Profit from Continuing Operations		6,64,75,074	5,42,84,475
XII Profit from discontinuing operation (after tax)		-	-
XIII Profit for the period.		6,64,75,074	5,42,84,475
XIV Earnings per Equity Share of Rs.10 each			
(1) Basic		14.51	11.85
(2) Diluted		14.51	11.85

See accompanying notes to the financial statements

As per our report annexed
for **S.Krishnamoorthy & Co.**
Chartered Accountants
Registration No. 001496S

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Chief Financial Officer

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DIN : 00002169

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Company Secretary

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Managing Director
DIN : 00048547

Coimbatore
28th May 2016

CASH FLOW STATEMENT

(Amount in Rs.)

Particulars	2015-16 Rs.	2014-15 Rs.
A: Cash flow from operating activities:		
Net Profit before tax and extra ordinary items	9,09,72,153	8,36,96,582
Adjustments for:		
Depreciation	4,62,56,518	4,41,58,020
Interest received	(9,36,084)	(15,38,576)
Interest paid	1,28,95,713	2,03,78,171
Net Loss on foreign currency translation	-	6,24,112
Net Profit on sale of Fixed Asset	(2,11,296)	(3,93,653)
Operating profit before working capital changes	5,80,04,851	6,32,28,074
Adjustments for:		
Trade & Other receivables	7,25,61,997	(7,27,73,146)
Inventories	63,18,955	44,48,388
Trade payables	(11,83,66,639)	5,02,63,896
	(3,94,85,687)	(1,80,60,862)
Cash generated from operations	10,94,91,317	12,88,63,794
Direct taxes paid	(2,08,03,678)	(2,73,17,893)
Net cash from operating activities (A)	8,86,87,639	10,15,45,901
B: Cash flow from investing activities:		
Purchase of fixed assets	(6,18,30,568)	(4,93,70,339)
Sale of fixed assets	2,34,928	33,83,688
Interest received	9,36,084	15,38,576
Net cash used in investing activities (B)	(6,06,59,556)	(4,44,48,075)
C: Cash flow from financing activities		
Proceeds from long term borrowings	(35,25,582)	(2,32,90,236)
Dividend paid	(99,26,915)	(85,77,512)
Interest paid	(1,28,95,713)	(2,03,78,171)
Net cash used in financing activities (C)	(2,63,48,210)	(5,22,45,919)
Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	16,79,873	48,51,907
Cash and cash equivalents (Opening balance)	1,34,58,373	86,06,466
Cash and cash equivalents (Closing balance)	1,51,38,246	1,34,58,373

As per our report annexed
for **S.Krishnamoorthy & Co.**
Chartered Accountants
Registration No. 001496S

K.N.Sreedharan
Membership No. : 12026
Partner
Auditor

Coimbatore
28th May 2016

R. Ravi
Chief Financial Officer

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Company Secretary

C.R. Swaminathan
Director
DIN : 00002169

N.Krishna Samaraj
Managing Director
DIN : 00048547

Significant Accounting Policies:

1. Basis of preparation

The financial statements of the Company have been prepared under the historical cost convention and on mercantile basis as a going concern in accordance with the applicable accounting standards notified under the Companies (Accounting Standards) and the relevant provisions of the Companies Act.

The accounting policies adopted in the preparation of the financial statements are consistent with the those of the previous year.

2. (a) Fixed Assets :

Fixed Assets are stated at cost, net of cenvat and includes all direct, indirect expenses and allocable borrowing costs relating thereto.

Depreciation on fixed assets is provided on straight line method adopting the useful lives of the respective fixed assets, and the residual value in accordance with Schedule II to the Companies Act, 2013. In respect of additions during the year, depreciation is prorated to the number of days used.

(b) Borrowing Costs

Borrowing costs directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs includes interest and other ancillary costs, if any, that the Company incurs in connection with the borrowing of funds for acquisition of assets.

(c) Inventories

Inventories are valued at lower of cost and net realisable value

Cost is determined as under:

Raw materials and components are valued using Weighted Average Cost.

Finished goods Cost inclusive of excise duty, wherever applicable.

Semi finished goods cost is taken as cost of the materials and other cost of manufacture upto the various stages of completion.

Stores and spares are valued at cost on First in First out basis.

(d) Revenue recognition:

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of goods have been passed on to the buyer, usually on delivery of goods. Sales are accounted net of duties and taxes. Material consumption is net of Cenvat. Excise duty in respect of goods manufactured other than what is in stock at the close of the year is accounted at the time of removal of goods from the factory for sale.

Value of Power generated by Wind Energy Generators and exported to to the Grid is treated as reduction in power charges to the extent it is adjusted in the bills by the TNEB and the excess, if any, as sale of energy to the TNEB.

(e) Foreign Currency transactions:

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of respective transactions. Resultant gain or loss at the time of realisation /payment /restatement is charged to the statement of Profit and Loss. The carrying value of foreign currency assets and liabilities are restated at the year end rates.

(f) Impairment of Assets:

Impairment in the value of fixed assets is recognised to the extent that the recoverable amount of an asset is less than its carrying value and is charged to the statement of Profit and Loss, as prescribed in AS 28.

(g) Retirement and other employee benefits:

Contributions to the provident fund are charged to the statement of Profit and Loss for the year when the contributions are due for payment.

The Company has set up an Employees Group Gratuity Trust Fund under Group Gratuity (cash accumulation) Scheme of Life Insurance Corporation of India. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year end.

The Company also provides benefits in the form of leave encashment and medical reimbursement which are recognised in the statement of Profit and Loss.

(h) Taxation:

Tax expense comprises of current and deferred tax.

Provision for taxation is made in terms of the Income Tax Act, 1961 in respect of income liable to tax at either special or normal rates. In accordance with the Accounting Standard 22.

Deferred income taxes reflects the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing difference for the earlier years. Deferred tax is measured using the tax rates as at the reporting date.

Minimum Alternate tax (MAT) paid in a year is charged to the statement of Profit and Loss as current tax. MAT credit is recognized as an asset only to the extent that the Company will pay normal income tax during the specified period. The said asset is created by way of a credit to the statement of Profit and loss and shown as MAT credit Entitlement. The Company reviews the MAT credit entitlement asset every year and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(i) Segment reporting:

Identification of segments

The Company's operating businesses are organised and managed separately according to the nature of business. The Company at present has two operating segments namely Foundry division and Wind Energy division.

Inter segment transfers

The Company generally accounts for intersegment transfers at cost.

(j) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period.

NOTES TO THE FINANCIAL STATEMENTS

(Amount in Rs.)

Particulars	31.03.2016	31.03.2015
I. Share holder's Funds:		
1. Share Capital		
Authorised		
50,00,000 Equity Shares of Rs.10/- each	<u>5,00,00,000</u>	<u>5,00,00,000</u>
Issued, Subscribed and Paid Up:		
45,82,200 Equity Shares of Rs.10/- each fully paid up	<u>4,58,22,000</u>	<u>4,58,22,000</u>
Reconciliation of number of shares outstanding		
Opening Balance	45,82,200 Shares	45,82,200 Shares
Changes during the year	Nil	Nil
Closing Balance	45,82,200 Shares	45,82,200 Shares
Shareholders holding more than 5 % shares:		
Sri. N Krishna Samaraj	7,98,709 Shares	7,97,973 Shares
Sri. Ajeya Vel Narayanaswamy	4,53,000 Shares	4,53,000 Shares
2. Reserves and Surplus		
Capital Reserve		
(Subsidy from Government of Tamilnadu)		
Opening Balance	15,78,000	15,78,000
General Reserve		
Opening Balance	26,00,00,000	24,00,00,000
Additions during the year	2,00,00,000	2,00,00,000
	<u>28,00,00,000</u>	<u>26,00,00,000</u>
Surplus:		
Balance in Statement of Profit & Loss		
Opening Balance	10,17,98,047	7,74,40,487
Add : Net profit for the year	6,64,75,074	5,42,84,475
	16,82,73,121	13,17,24,962
Less : Transfer to General Reserve	2,00,00,000	2,00,00,000
Proposed Dividend	91,64,400	82,47,960
Tax on Dividend	18,65,656	16,78,955
	<u>13,72,43,065</u>	<u>10,17,98,047</u>
	<u>41,88,21,065</u>	<u>36,33,76,047</u>
II. Non-current Liabilities:		
3. Long Term Borrowings:		
i) Secured Loan		
Term Loan - From Banks :		
a) Indian Bank : Term Loan for Rs.425 Lakhs		
Repayment : 60 monthly instalments of		
Rs.7,08,335/- each, commencing		
from May 2012.		
Rate of Interest - 11.90%		
	49,33,417	1,34,33,437

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NOTES TO THE FINANCIAL STATEMENTS

(Amount in Rs.)

Particulars	31.03.2016	31.03.2015
b) Indian Bank : Term Loan for Rs.320 Lakhs Repayment : 60 monthly instalments of Rs.5,33,340/- each, commencing from November 2013. Rate of Interest - 11.90%	<u>94,80,398</u>	<u>1,58,80,478</u>
	1,44,13,815	2,93,13,915
<p>Note : All the above Loans are Secured by paripasu charge by hypothecation of the entire fixed assets and current assets of the Company, in favour of both the banks. There is no continuing default in repayment of Principal and Interest.</p>		
ii) Unsecured Loan:		
b) Other Loans & advances :		
1. Supplier's Credit (Supplier's credit in Foreign currency is for purchase of Machinery from Italy. The total principal amount is Euro 1,92,200/- The loan carries a weighted average interest rate of 3.00% per annum. The loan is repayable over a three year period from the date of shipment.)	1,14,56,164	-
Hire purchase Loan		
i) Kotak Mahindra Bank Ltd -Car -Rs. 9,99,999/- (Secured on the hypothecation of Car. Repayable in 36 monthly instalments of diminishing value, commencing from April 2014.)	-	81,646
	<u>2,58,69,979</u>	<u>2,93,95,561</u>
<p>Note : There is no continuing default in repayment of Principal and Interest</p>		
4. Deferred Tax Liabilities (Net)		
Opening	5,19,72,412	4,31,79,122
Add / (Less): Provided / (Reversed) during the year	34,97,079	87,93,290
Closing	<u>5,54,69,491</u>	<u>5,19,72,412</u>
Current Liabilities:		
5. Short Term Borrowings		
i) Secured Loan:		
a) Corporation Bank - Cash Credit A/c	5,11,79,946	14,43,61,621
b) Indian Bank - Cash Credit A/c (Secured by paripassu charge on the entire current assets viz, Inventories and Book Debts between Corporation Bank and Indian Bank. Repayable on Demand. Rate of Interest - 10.75%. Period & amount of default - NIL)	-	28,16,522
	<u>5,11,79,946</u>	<u>14,71,78,143</u>

NOTES TO THE FINANCIAL STATEMENTS

(Amount in Rs.)

Particulars	31.03.2016	31.03.2015
6. Trade Payables:		
Due to Micro, Small and Medium Enterprises	7,40,933	1,78,433
Due to Others	12,45,69,031	<u>13,63,13,412</u>
	12,53,09,964	13,64,91,845
7. Other current liabilities		
i) Current maturities of long term debt	2,00,78,521	2,77,57,782
ii) Unpaid Dividends :	17,54,830	17,13,254
iii) Other payables :		
a) Statutory Liabilities Payable:	18,36,746	20,40,188
b) Advance from customers	2,24,086	1,89,041
c) Capital Goods Suppliers	5,15,710	<u>23,98,116</u>
	2,44,09,893	3,40,98,381
8. Short-term provisions		
a) Provision for employee benefits		
Provision for Gratuity	-	15,27,187
Provision for Leave Benefits	18,93,372	18,64,262
b) Others		
Proposed Dividend	91,64,400	82,47,960
Tax on Dividend	18,65,656	16,78,955
Provision for Income Tax (Net)	36,96,322	<u>35,00,000</u>
	1,66,19,750	1,68,18,364

Non Current Assets
9. Fixed Assets

Particulars	Gross Block			Total	Depreciation			Net Block	
	As on 1.4.2015	Additions during the year	Sales during the year		As on 1.4.2015	For the Year	Withdrawn	As on 31.03.2016	As on 31.03.2015
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.
I Tangible Assets									
Land	1,86,27,361	-	-	1,86,27,361	-	-	-	1,86,27,361	1,86,27,361
Buildings	16,25,20,890	47,00,109	-	16,72,20,999	57,42,641	-	4,84,22,310	11,87,98,689	11,98,41,221
Plant & Equipments	66,27,06,393	5,37,27,215	-	71,64,33,608	3,79,57,918	-	44,05,15,286	27,59,18,322	26,01,49,025
Office Equipments	41,22,806	2,21,762	-	43,44,568	2,32,658	-	22,79,105	20,65,463	20,76,359
Furniture & Fixtures	78,76,335	96,570	-	79,72,905	7,97,260	-	59,42,950	20,29,955	27,30,645
Vehicles	69,90,623	26,40,549	(5,78,943)	90,52,229	8,16,637	(5,55,311)	28,06,727	62,45,502	44,45,222
Computers	1,33,75,368	4,44,363	-	1,38,19,731	6,98,656	-	1,26,40,405	11,79,326	14,33,619
Total	87,62,19,776	6,18,30,568	(5,78,943)	93,74,71,401	4,62,45,770	(5,55,311)	51,26,06,783	42,48,64,618	40,93,03,452
II Intangible Assets									
	13,29,482	-	-	13,29,482	10,748	-	12,63,008	66,474	77,222
Total	87,75,49,258	6,18,30,568	(5,78,943)	93,88,00,883	4,62,56,518	(5,55,311)	51,38,69,791	42,49,31,092	40,93,80,674
Previous year	85,04,82,635	4,93,70,339	(2,23,03,716)	87,75,49,258	4,41,58,020	(1,93,13,882)	46,81,68,584	40,93,80,674	40,71,58,388

NOTES TO THE FINANCIAL STATEMENTS

(Amount in Rs.)

Particulars	31.03.2016	31.03.2015
Non - Current Assets:		
10. Long-term loans and advances		
(Unsecured, considered good)		
i) Capital Advances	30,68,230	26,56,836
ii) Security Deposits	1,92,71,578	1,37,75,782
	2,23,39,808	1,64,32,618
Current Assets:		
11. Inventories		
i) Raw materials & bought out components at cost	89,93,225	1,90,33,958
ii) Work in progress at cost	2,24,55,334	2,23,86,301
iii) Finished goods at cost	1,15,76,535	88,81,669
iv) Stores, consumables and spares at cost	1,78,63,956	1,69,06,077
	6,08,89,050	6,72,08,005
12. Trade Receivables -		
(Unsecured, considered good)		
i) Outstanding for a period exceeding six months from the date they are due for payment	27,09,196	24,55,434
ii) Others.	18,81,05,349	24,70,05,724
	19,08,14,545	24,94,61,158
13. Cash & cash equivalents:		
i) Balance with banks:		
In current account	1,33,73,526	1,16,85,591
ii) Cash on hand	9,890	59,528
iii) Others:		
In Unpaid Dividend account	17,54,830	17,13,254
	1,51,38,246	1,34,58,373
14. Short term Loans & Advances:		
(Unsecured, considered good)		
i) Loans & Advances to Related Parties:	-	-
ii) Others:		
a) Income Tax Refund Due	8,65,115	3,96,479
b) Recoverable from Government Agencies	4,15,49,515	5,71,45,827
c) Prepaid Expenses	32,61,702	31,51,368
d) Advance to suppliers	13,52,698	48,52,204
e) Staff advance	2,06,755	1,48,605
	4,72,35,785	6,56,94,483
15. Other current Assets:		
Export Incentive Receivable	21,53,562	35,17,442
	21,53,562	35,17,442

Particulars	31.03.2016	31.03.2015
16. Revenue from Operations		
a) Sale of products:		
Export Sales:		
Castings	54,84,14,695	63,33,96,109
Patterns	1,11,86,871	1,19,25,365
	<u>55,96,01,566</u>	<u>64,53,21,474</u>
Domestic Sales:		
Castings	40,19,54,045	39,12,63,387
Patterns	48,05,326	75,40,175
	<u>40,67,59,371</u>	<u>39,88,03,562</u>
	<u>96,63,60,937</u>	<u>1,04,41,25,036</u>
b) Other operating revenues:		
Sale of Waste, Scrap & Others	25,11,987	22,65,481
Export incentive	1,05,61,082	1,00,03,935
	<u>1,30,73,069</u>	<u>1,22,69,416</u>
	<u>97,94,34,006</u>	<u>1,05,63,94,452</u>
Less: Excise Duty	4,50,98,955	4,09,22,955
Education cess	3,443	10,82,577
	<u>4,51,02,398</u>	<u>4,20,05,532</u>
Total	<u>93,43,31,608</u>	<u>1,01,43,88,920</u>
17. Other Income:		
Interest Income		
Received from Bank	12,946	4,08,602
Received from Others	9,23,138	11,29,974
Rent Received	18,00,000	18,00,000
Agricultural Income	26,333	21,468
Profit on Sales of Assets	2,11,296	10,54,572
Gain on foreign currency translation:		
Exchange rate fluctuation on Operations	60,55,609	95,147
	<u>90,29,322</u>	<u>45,09,763</u>
18. Cost of materials consumed:		
Raw Material Consumed		
Opening Stock	1,90,33,958	2,36,00,700
Purchases of Raw Materials	29,17,42,352	37,42,35,688
Freight & Cartage	1,03,44,319	74,99,415
	<u>32,11,20,629</u>	<u>40,53,35,803</u>
Less: Closing Stock	89,93,225	1,90,33,958
	<u>31,21,27,404</u>	<u>38,63,01,845</u>
19. Changes in inventories of WIP & Finished goods.		
Opening Stock of WIP	2,23,86,301	2,81,55,864
Less: Closing Stock of WIP	2,24,55,334	2,23,86,301
	<u>(69,033)</u>	<u>57,69,563</u>
Opening Stock of Finished goods	88,81,669	58,33,250
Less: Closing Stock of Finished goods	1,15,76,535	88,81,669
	<u>(26,94,866)</u>	<u>(30,48,419)</u>
	<u>(27,63,899)</u>	<u>27,21,144</u>
20. Employee benefits expense:		
Salary, Wages & Bonus	7,23,24,601	6,57,29,314
Staff & Labour Welfare	71,01,594	80,38,411
Employer's Contribution to ESI	6,93,375	7,31,316
Employer's Contribution to PF	31,38,030	21,23,092
Gratuity Contribution	5,37,378	15,70,999
	<u>8,37,94,978</u>	<u>7,81,93,132</u>

NOTES TO THE FINANCIAL STATEMENTS

(Amount in Rs.)

Particulars	31.03.2016	31.03.2015
21. Finance Costs:		
Interest on Bank Loans	69,33,044	1,09,61,921
Interest on Discounting of Bills	59,21,814	85,97,623
Hire Purchase Charges	40,855	99,368
Bank Charges	27,08,128	28,01,479
Net Loss on foreign currency translation:		
Exchange rate fluctuation	-	7,19,259
	1,56,03,841	2,31,79,650
22. Other Expenses:		
Labour Charges	2,00,24,810	1,40,66,579
Machining Charges	13,48,53,414	11,17,44,898
Processing Charges	4,43,72,505	4,81,54,857
Pattern Making Charges	1,28,18,816	1,70,19,158
Consumption of stores and spare parts:		
Opening Stock	1,69,06,077	1,40,66,579
Purchases of Stores	3,36,86,676	4,21,04,255
	5,05,92,753	5,61,70,834
Less: Closing Stock	1,78,63,956	1,69,06,077
Total	3,27,28,797	3,92,64,757
Power & Fuel :		
Electricity Charges	6,10,36,575	4,93,16,532
(Net of WTG Generation Rs 3,34,02,897/- Previous Year Rs.3,62,16,512/-)		
Fuel Expenses	1,57,09,446	2,97,11,169
	7,67,46,021	7,90,27,701
Rent	3,23,046	3,23,046
Repairs to Buildings	66,83,877	1,49,37,674
Insurance	50,54,219	53,26,028
Rates & Taxes, excluding taxes on income	9,01,248	9,93,887
Carriage Outwards	44,78,868	67,26,139
Packing Material	2,65,89,955	2,54,72,525
Payment to Auditors		
Audit fees	6,00,000	5,25,000
Certification Charges	2,000	8,000
Taxation Matters	1,60,000	70,000
Service Tax	96,065	28,181
	8,58,065	6,31,181
Loss on Sales of Fixed Assets	-	6,60,918
CSR Expenses	15,80,000	12,55,635
Miscellaneous Expenses	2,93,56,294	2,96,61,162
Total	39,73,69,935	40,06,48,309

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NOTES TO THE FINANCIAL STATEMENTS

STATUTORY AND OTHER INFORMATION:

(Amount in Rs.)

Particulars	31.03.2016	31.03.2015
23. Value and Percentage of consumption:		
a. Raw materials		
Imported	3,62,82,481 (11.62%)	3,45,62,894 (8.94%)
Indigenous	27,58,44,923 (88.38%)	35,17,38,951 (91.06%)
b. Stores consumables		
Imported	37,13,658 (11.35%)	30,49,276 (7.76%)
Indigenous	2,90,15,139 (88.65%)	3,62,15,481 (92.24%)

24. Machinery spares imported and consumed has been charged to Repairs to Machinery account.

25. Raw Material consumption details:

	M.Tons	Value	M.Tons	Value
Steel Scrap	5666.34	13,45,92,542	6285.15	19,30,27,429
Fe Si Mg	208.62	2,42,40,642	263.83	3,36,20,628
Pigiron	564.54	1,71,07,002	730.61	2,61,55,990
Graphite	192.48	1,41,89,797	276.40	1,87,68,215
Others	-	12,19,97,421	-	11,47,29,583

26. Value of Imports calculated on C.I.F.basis

Plant & Machinery	2,57,99,922	-
Machinery spares	47,02,186	40,79,835
Raw materials	4,18,38,369	4,01,21,034

27. Contingent Liabilities :

a. The Income Tax Department has raised demand for Rs.4,32,198/- for the year 2007-08. The Company has gone on appeal disputing of the above demands. No Provision has been made in the books of account as the Company is confident of getting a verdict in its favour on the basis of legal advice.

b. Bank Guarantee / Counter Guarantee 2,00,000 -

28. Depreciation :

Depreciation has been charged under the Straight Line method at the rates prescribed under Schedule II of the Companies Act, 2013 and on the same basis as in the pervious year.

29. Disclosure pertaining to Micro, Small and Medium Enterprises (as per information available with the Company)

Sl. No.	Particulars	Rs.	Rs.
1.	Principal Amount due as at the close of the year	7,40,933	1,78,433
2.	Interest due on (1) above and unpaid as at the close of the year	-	-
3.	Interest paid to the supplier	-	-
4.	Payments made to the supplier beyond the appointed day during the year	-	-
5.	Interest due and payable for the period of delay.	-	-
6.	Interest accrued and remaining unpaid as at the close of the year	-	-
7.	Amount of further interest remaining due and payable in succeeding year.	-	-

NOTES TO THE FINANCIAL STATEMENTS

(Amount in Rs.)

Particulars	31.03.2015	31.03.2014
30. Earnings in Foreign exchange		
FOB Value of Exports	55,96,01,566	64,53,21,474
31. Expenditure in Foreign currency		
Travelling Expenses	6,86,415	5,99,436
Subscription	15,93,553	14,29,739
32. Details of dividend remitted during the year in foreign currency.		
a. Amount in Rupees	7,03,080	6,24,960
b. No. of Non-residents	11	11
c. No. of equity shares held by above	3,90,600	3,90,600
33. The Company has carried out an exercise to ascertain the impairment, if any, in the carrying values of its fixed assets. This has not revealed any impairment during the year.		

34. Deferred tax:**Deferred Tax Workings**

Particulars	Op.Balance	Provided	Reversed	Cl. Balance
		during the year		
Deferred Tax Liability-Depreciation	5,28,46,808	37,17,462	-	5,65,64,270
Less : Deferred Tax Asset-Bonus	8,74,396	10,94,779	8,74,396	10,94,779
Total	5,19,72,412	26,22,683	(8,74,396)	5,54,69,491

35. SECONDARY-GEOGRAPHICAL SEGMENT

Geographical segment has been identified as secondary segment based on segment revenue.

Domestic Sales	36,19,03,013	35,69,43,123
Export Sales to USA	47,59,70,313	56,22,89,797
Export Sales to Europe	8,36,31,253	8,30,31,677
Total	92,15,04,579	<u>1,00,22,64,597</u>

Note : All the Fixed assets are located in India and are as detailed in Schedule 5.

36. Related party disclosures:**A. Names of the related parties and Descriptions of relationship**

- | | |
|--|--|
| 1. Key Management Personnel | Sri. N. Krishna Samaraj, Managing Director |
| 2. Relatives of Key Management Personnel | Smt. N.Muthulakshmi - Mother |
| 3. Other related parties | 1. Samrajyaa and Company
2. Magna Digitech India Private Limited
3. Elgi Equipments Ltd. |

NOTES TO THE FINANCIAL STATEMENTS

(Amount in Rs.)

Particulars	31.03.2016	31.03.2015
B. Transactions with related parties :		
Sri.N.Krishna Samaraj Managerial Remuneration	48,83,129	43,86,536
Smt.N.Muthulakshmi Rent paid and Amenities	6,46,092	6,46,092
Samrajyaa And Company Machining Charges Paid Rent Received	8,83,93,694 18,00,000	7,46,19,109 18,00,000
Magna Digitech India Private Limited Data Conversion Charges Paid	15,16,633	21,91,020
Elgi Equipments Ltd. Sale of Castings Purchase of Goods & Service	- 2,39,776	5,10,269 20,72,008
Outstandings Payables Receivables	2,46,11,214 1,219	1,62,90,505 1,219

36. Corporate Social Responsibilities :

Pursuant to Section 135 of the Companies Act, 2013, the Company's CSR Committee has formulated a policy for undertaking CSR activities by the Company. The prescribed CSR Expenditure @ 2% of the average net profits of the Company for the last three financial years is Rs. 15.45 Lakhs, as against this, the Company has incurred an expenditure of Rs. 15.80 Lakhs during the year as stated in the Directors Report.

37. Corporate Social Responsibilities:

a) Gross amount required to be spent by the Company Rs. 15.45 Lakhs

b) Amount spent during the year

(Rs. in lakhs)

Purpose	In Cash	In kind	Total
1. For Health care	11,00,000	-	11,00,000
2. For Education	-	1,48,599	1,48,599
3. For Environment	3,31,401	-	3,31,401
Total	14,31,401	1,48,599	15,80,000

38. Earnings per share

(a) Net profit after tax	6,64,75,074	5,42,84,475
(b) Weighted average no. equity shares of Rs. 10 each outstanding during the year	45,82,200	45,82,200
(c) Basic or diluted earnings per share (a/b)	14.51	11.85

NOTES TO THE FINANCIAL STATEMENTS

39. The Power Generated by the Wind Energy Generators during the year and fed into the TNEB Grid are as detailed below.

No. of Units Generated	47,70,029	62,46,559
Value in Rs.	3,34,02,897	3,62,16,512

40. Segment information:

(Amount in Rs.)

PRIMARY - BUSINESS SEGMENT	31.03.2016			31.03.2015		
	Foundry Division Rs.	Wind Energy Division Rs.	Total Rs.	Foundry Division Rs.	Wind Energy Division Rs.	Total Rs.
Segment Results						
1. REVENUE						
Sales	93,43,31,608		93,43,31,608	1,01,43,88,920		1,01,43,88,920
Wind Energy Generation		3,34,02,897	3,34,02,897		3,62,16,512	3,62,16,512
Other Income	90,29,322		90,29,322	45,09,761		45,09,761
Total Revenue	94,33,60,930	3,34,02,897	97,67,63,827	1,01,88,98,681	3,62,16,512	1,05,51,15,193
2. EXPENDITURE						
Finance Costs	1,50,80,731	5,23,110	1,56,03,841	2,09,66,616	22,13,034	2,31,79,650
Depreciation	4,39,88,919	22,67,599	4,62,56,518	4,18,90,421	22,67,599	4,41,58,020
Other Expenses	81,20,55,970	1,18,75,345	82,39,31,315	88,94,21,745	1,46,59,195	90,40,80,940
Total Expenditure	87,11,25,620	1,46,66,054	88,57,91,674	95,22,78,782	1,91,39,828	97,14,18,610
Profit before Tax	7,22,35,310	1,87,36,843	9,09,72,153	6,66,19,899	1,70,76,684	8,36,96,583
Prior year Taxation						(18,81,182)
Provision for Income Tax			2,10,00,000			2,25,00,000
Deferred Tax Liability / (Asset)			34,97,079			87,93,290
Net Profit after Tax			6,64,75,074			5,42,84,475
3. SEGMENT ASSETS	54,73,61,548	21,61,40,540**	76,35,02,088	60,90,12,213	21,61,40,540**	82,51,52,753
Segment Liabilities	24,33,89,532		24,33,89,532	35,43,07,294	96,75,000	36,39,82,294
Unallocable Liabilities			52,01,12,556			46,11,70,459
4. TOTAL LIABILITIES			76,35,02,088			82,51,52,753
5. CAPITAL EXPENDITURE	6,18,30,568		6,18,30,568	4,93,70,339		4,93,70,339

** represents the gross value of Fixed Assets

41. The Company has not entered into any foreign exchange derivative transactions.

42. Figures for the previous year have been reclassified / regrouped wherever necessary.

Particulars	31.03.2016	31.03.2015
43. Employee Benefits:		
Defined Benefit Plans : Gratuity :		
Liability recognized in the Balance Sheet		
a) Present Value of Obligations as at 01.04.2016	75,02,602	61,43,307
Interest Cost	6,00,208	4,91,465
Current Service Cost	8,58,860	7,09,200
Benefit Paid	(4,63,732)	(92,908)
Actuarial (gain)/loss on obligations	(46,842)	2,51,538
Present value of obligations as at 31.03.2016	84,51,096	75,02,602
b) Fair Value of Plan Assets		
As at beginning of the year	70,84,009	63,78,532
Expected return on plan assets	7,60,368	5,82,795
Contributions	22,59,585	2,15,590
Benefit paid	(4,63,732)	(92,908)
Fair value of plan assets	96,40,231	70,84,009
Funded Status	11,89,135	(4,18,593)
c) Actuarial gain/loss recognised as on 31.03.2016		
Acutarial gain (loss) - Obligations	46,842	(2,51,538)
Acutarial gain (loss) - Plan Assets	Nil	Nil
Total (gain) / loss for the year	(46,842)	2,51,538
Actuarial (gain) / loss recognised	(46,842)	2,51,538
d) Expenses during the year		
Current Service Cost	8,58,860	7,09,200
Interest Cost	6,00,208	4,91,465
Expected Return on Plan Assets	(7,60,368)	(5,82,795)
Net Actuarial (Gain)/Loss	(46,842)	8,69,408
e) Prinicipal Actuarial Assumptions		
Discounting Rate	8.00%	8.00%
Salary Escalation	6.50%	6.50%

The above figures are based on valuation done by the Life Insurance Corporation of India.

As per our report annexed
for **S.Krishnamoorthy & Co.**
Chartered Accountants
Registration No. 001496S

R. Ravi
Chief Financial Officer

C.R. Swaminathan
Director
DIN : 00002169

K.N.Sreedharan
Membership No. : 12026
Partner
Auditor

C. Sangeetha
Company Secretary

N.Krishna Samaraj
Managing Director
DIN : 00048547

Coimbatore
28th May 2016

MAGNA ELECTRO CASTINGS LIMITED

Regd. Office: 43, BALASUNDARAM ROAD, COIMBATORE - 641 018

ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORMAT

To

S.K.D.C. Consultants Limited,
"Kanapathy Towers", 3rd Floor,
1391/A-1, Sathy Road,
Ganapathy,
Coimbatore- 641 006.

Dear Sirs,

FORM FOR ELECTRONIC CLEARING SERVICE FOR PAYMENT OF DIVIDEND

Please fill-in the information in capital Letters in English only. Please whichever is applicable.

For shares held in physical form

Master Folio No.

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FOR OFFICE USE ONLY

ECS
Ref. No.

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Name of the First Holder											
Bank Name											
Branch Name											
Bank Address											
Branch Code	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table> <p>(9 Digits Code Number appearing on the MICR Band of the cheque supplied by the Bank). Please attach a xerox copy of a cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the banks name, branch name and code number.</p>										

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

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, SKDC Consultants Limited will not be held responsible. I agree to avail the ECS facility provided by RBI, as and when implemented by RBI/Magna Electro Castings Limited.

I further undertake to inform the Company any change in my Bank / branch and account number.

Date :

(Signature of the First holder)

Note : 1. Shareholders holding shares in Demat form and wish to avail ECS facility are requested to contact their Depository Participants.

2. In case the Scheme does not meet with the desired response or due to any other operational reasons it is found to be unviable, the Company reserves the right to pay dividend by issue of Warrants.



MAGNA ELECTRO CASTINGS LIMITED

Regd. Office: 43, BALASUNDARAM ROAD, COIMBATORE - 641 018

E-MAIL ADDRESS REGISTRATION FORM

To

S.K.D.C. Consultants Limited,
"Kanapathy Towers", 3rd Floor,
1391/A-1, Sathy Road,
Ganapathy,
Coimbatore- 641 006.

Dear Sirs,

FORM FOR REGISTRATION OF E-MAIL ADDRESS FOR SERVING THE DOCUMENTS

(For shares held in physical form only)

Please fill-in the information in capital Letters in English only.

Master Folio No.

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FOR OFFICE USE ONLY

Ref. No.

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Name of the First Holder	
Name of Joint Holder(s)	
E-mail Address	

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, Company will not be held responsible.

I further undertake to inform the Company any change in my e-mail address

Date :

Signature of the first holder

Note :

1. Shareholders holding their shares in physical form are requested to inform to the Registrars and Share Transfer Agents i.e., SKDC Consultants Limited their e-mail address / change in their email address.
2. Shareholders holding their shares in demat form are requested to update their e-mail Address with their respective Depository Participants.



