



8th July 2022

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

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

Dear Sir/Madam

Sub: Notice of 40th Annual General Meeting (AGM) and Annual Report for the FY 2021-22 under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

The Fortieth Annual General Meeting (40th AGM) of the Company is scheduled to be held on Wednesday, 3rd August 2022 at 3.30 PM through Video Conference (VC) / Other Audio Visual Means (OAVM). In terms of regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) the copy of 40th Annual Report along with the Notice of the 40th AGM being sent to the shareholders of the Company, is enclosed herewith and the same is also available on the website of the Company www.nelcast.com.

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

Thanking you.

For **NELCAST Ltd**

(S.K. SIVAKUMAR)
Company Secretary

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

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

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



ISO 9001 : 2015

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OHSAS 18001 : 2007

NOTICE TO SHAREHOLDERS

Notice is hereby given that the **Fortieth** Annual General Meeting (AGM) of the Members of Nelcast Limited will be held on Wednesday, the 3rd August 2022 at 3.30 PM through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the standalone and consolidated audited financial statements of the Company for the financial year ended 31st March 2022, together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend for the financial year 2021-22.
3. To appoint a Director in the place of Ms. P. Divya (holding DIN: 05158352), who retires by rotation and being eligible offers herself for re-appointment.
4. To re-appoint statutory auditors of the Company and to fix their remuneration for a second term of five years and in this regard 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 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the rules) as amended from time to time, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) M/s. K. NAGARAJU & ASSOCIATES, Chartered Accountants, (Firm Registration No.002270S), be and are hereby re-appointed as Statutory Auditors of the company for a second term of 5 (five) consecutive years to hold office from the conclusion of 40th Annual General Meeting until the conclusion of the 45th Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160, 161 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. R. Sridharan (DIN 00868787), who was appointed as an Additional Director in the capacity of Non-Executive Independent Director effective from 23rd May 2022 and who holds office up to the date of this AGM in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation for a term of 5 (five) consecutive years with effect from 23rd May 2022 to 22nd May 2027.

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 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), payment of remuneration of ₹ 1,75,000/- (Rupees One Lakh Seventy Five Thousand Only) (apart from reimbursement of out-of-pocket expenses, if any) to M/s. Jayaram & Associates, Cost Auditors for conducting the cost audit of the Company for the financial year ending 31st March 2023, be and is hereby approved and ratified.”

Place: Chennai

Date : 23rd May 2022

Registered Office

No. 34, Industrial Estate,

Gudur, Andhra Pradesh - 524 101.

CIN: L27109AP1982PLC003518

By Order of the Board

S.K. Sivakumar

Chief Financial Officer &

Company Secretary

NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”), has vide their circulars dated, April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021 read with May 05, 2022 (collectively referred to as “MCA Circulars”) permitted to hold the Annual General Meeting (“AGM”) through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) and the MCA Circulars, the Annual General Meeting (‘AGM’) of the Company is being held through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”).
2. Pursuant to the aforesaid Circulars, the facility to appoint proxy by Members under Section 105 of the Act to attend and cast vote for the Members is not available for this AGM as the physical attendance of Members has been dispensed with. However, Body Corporates are entitled to appoint authorized representatives as its Member to attend the AGM through VC/OAVM and cast their votes through e-Voting.
3. Participation of members through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
4. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to the members on “first come first served” basis. This will not include large Shareholders (Shareholders holding 2% or more of the total number of shares of the Company as on the cut-off date as defined), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders’ Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of “first come first served” basis.
5. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting at the meeting will be provided by NSDL.
6. In line with MCA Circular No. 17/2020 dated 13th April 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.nelcast.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing remote e-Voting facility) i.e., www.evoting.nsdl.com.
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Act read with Circulars issued by MCA and SEBI in this regard.
8. The Explanatory Statement pursuant to Section 102 of the Act, relating to the Special Business to be transacted at the Meeting is annexed hereto.

9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and the relevant documents referred to in the Notice will be available, electronically, for inspection by the Members during the AGM. All documents referred to in the Notice will also be available from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to nelcast@nelcast.com.
10. The Company has notified closure of Register of Members and Share Transfer Books from 28th July 2022 to 3rd August 2022 (both days inclusive).
11. The dividend of ₹ 0.30 per share has been recommended by the Board of Directors for the year ended 31st March 2022, which is subject to the approval of the shareholders at the ensuing Annual General Meeting.

The dividend will be paid within 30 days from the date of AGM, to the Members whose names appear on the Company's Register of Members as on the Record Date i.e., 27th July 2022 and in respect of the shares held in dematerialised mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

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

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

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

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

The Company is required to deduct tax at source from the dividend paid at the prescribed rates, if the dividend amount exceeds ₹ 5,000/- in a financial year. However, no tax shall be deducted on the dividend payable to a resident individuals in cases where the members provide Form 15G/Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the Income Tax Act, 1961. Form 15G/15H can be downloaded from our RTA's website www.bigshareonline.com to avail the benefit and email the duly filled in forms to tds@bigshareonline.com by 11.59 PM IST on 27th July 2022.

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

Non-resident shareholders can avail beneficial rates under the Tax Treaty between India and their country of residence, subject to providing necessary documents, i.e., no Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the Tax Treaty benefits, by sending an email to tds@bigshareonline.com. The aforesaid declarations and documents should be submitted by the shareholders by 11:59 PM IST on 27th July 2022 and thereafter no communication would be accepted regarding the Tax Deducted at Source/ withholding tax matters.

Notes:

- (i) Shareholders will be able to download Form 26AS from the Income Tax Department's website www.incometax.gov.in
 - (ii) The aforesaid documents such as Form 15G/ 15H, documents under sections 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be sent to tds@bigshareonline.com on or before 27th July 2022 to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination/ deduction received after 27th July 2022 shall not be considered. Formats of Form 15G / Form 15H are available on the RTA's website www.bigshareonline.com
 - (iii) Application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members as on the Record Date, and other documents available with the Company/RTA.
 - (iv) In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund.
 - (v) No TDS will be deducted in case of resident individual shareholders who furnish their PAN details and whose dividend does not exceed ₹ 5,000/-. However, where the PAN is not updated in the Company records or in case of an invalid PAN, the Company will deduct TDS u/s 194 without considering the exemption limit of ₹ 5,000/-.
13. Pursuant to the provisions of Section 124 read with Section 125 of the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force) the amount of dividend remaining unpaid for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF) constituted by the Central Government. Members who have not encashed their dividend are requested to contact the Company's Registrar and Share Transfer Agent for payment in respect of the unclaimed dividend. The amount so transferred cannot be claimed from the Company. Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act and the applicable rules.
 14. Pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules, 2016, the Company is providing/ hosting the required details of unclaimed amount/ shares referred to under Section 124 of the Act on its website and also on the website of the Ministry of Corporate Affairs (MCA) viz., www.iepf.gov.in
 15. Pursuant to SEBI notification dated 8th June 2018, transfer of shares in physical mode is prohibited and mandates holding in demat except in case of transmission or transposition. Accordingly, Members are requested to convert the physical holding to demat through depository participant. Members may contact the Company for any assistance in the said process of physical to demat of shares.
 16. Members are requested to update their preferred e-mail ids with the Depository Participants / Company's Registrar and Transfer Agents, which will be used for the purpose of sending the official documents through e-mail in future. The RTA address is given below:
M/s. Bigshare Services Pvt. Ltd.
Office No. S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East), Mumbai - 400093.
Ph: 022-62638200 Fax: 022-62638299
E-mail: investor@bigshareonline.com

17. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA.
18. Electronic copy of the Annual Report and the Notice of the AGM inter-alia indicating the process and manner of e-Voting are being sent to all the Members whose e-mail IDs are registered with the Company / DPs for communication purposes.
19. Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding / trading.
20. Members may also note that the Notice of the 40th Annual General Meeting and the Annual Report for 2021-22 will also be available on the Company's website www.nelcast.com for their download, the website of the Stock Exchanges viz., BSE Limited - www.bseindia.com and National Stock Exchange of India Limited - www.nseindia.com. Other than the above, no physical/hard copies of the Notice & Annual Report will be sent to shareholders.

21. Re-Appointment of Directors:

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

**Details of Director seeking Re-Appointment at the Annual General Meeting
(Pursuant to Regulation 36(3) of the SEBI**

(Listing Obligations and Disclosure Requirements) Regulations, 2015)

Ms. P. Divya aged about 39 years, graduated top of her class for post-graduate MS degree in Networked Information Systems from Stevens Institute of Technology, Hoboken, New Jersey, USA. She had completed a BE degree with Honors in Computer Engineering also from Stevens Institute of Technology, Hoboken, New Jersey, USA.

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

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

Details of other Directorships/Committee Memberships held by her:

Directorship	Committee Membership
NC Energy Limited	-
Ponnas Infrastructure Private Limited	-
Dodla Dairy Limited*	Corporate Social Responsibility Committee

*upto 31st December 2021

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

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

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

22. Voting through electronic means:

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

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

1. The remote e-Voting period begins on 30th July 2022 at 9:00 A.M. (IST) and ends on 2nd August 2022 at 5:00 P.M. (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 27th July 2022, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the company as on the cut-off date, being 27th July 2022.
2. The details of the process and manner for remote e-Voting are explained herein below:
 Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>
 Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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





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

Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nSDL.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nSDL.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nSDL.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  App Store </div> <div style="text-align: center;">  Google Play </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div> </div>

<p>Individual Shareholders holding securities in demat mode with CDSL.</p>	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

Login type	Helpdesk details
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 224 430</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542/43</p>

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

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

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

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

4. Your User ID details are given below:

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

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

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

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

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

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

General Guidelines for shareholders

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

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

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

On account of the continuing threat posed by COVID -19 pandemic and in terms of the MCA and SEBI Circulars, the Company has sent the Annual Report, Notice of AGM and e-Voting instructions only in electronic form to the registered e-mail addresses of the Shareholders. Therefore, those Shareholders who have not yet registered their e-mail address are requested to get their e-mail address registered by following the procedure given below:

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

- (c) In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to (Company email id).
- (d) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@bigshareonline.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- (e) Shareholders may also visit the website of the Company www.nelcast.com for downloading the Annual Report and Notice of the AGM.
- (f) Alternatively, Shareholders may send an e-mail request at the e-mail id investor@bigshareonline.com along with scanned copy of the signed request letter providing the e-mail address, mobile number, self-attested PAN copy and Client Master copy, in case of electronic folio and copy of share certificate, in case of physical folio for sending electronically the Annual Report, Notice of AGM and the e-voting instructions.
- (g) Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned above.

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

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

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

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

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

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker and send their request from their registered e-mail id mentioning their name, demat account number/ folio number, email id, mobile number to nelcast@nelcast.com from 20th July 2022 (09.00 AM (IST)) to 22nd July 2022 (05.00 PM (IST)) only. The same will be replied by the Company suitably. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
6. Those members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.
7. Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number / folio number and mobile number, to reach the Company's e-mail address at nelcast@nelcast.com at least 48 hours in advance before the start of the meeting. Such questions by the Members may be taken up during the meeting and replied by the Company suitably.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail scrutinizernelcast@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.

4. In case of any queries, Members may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 /1800 224 430. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / or contact Mr. Amit Vishal, Asst.Vice President- NSDL or Ms. Soni Singh Asst. Manager - NSDL at evoting@nsdl.co.in or call at 1800 1020 990 /1800 224 430.
5. The Scrutinizer shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such report shall then be sent to the Chairman or a person authorized in this regard, within 48 (forty eight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.
6. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.nelcast.com and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to BSE Limited, Mumbai and The National Stock Exchange of India Limited, Mumbai.
7. Pursuant to the Circulars issued by MCA and SEBI, owing to the difficulties involved in dispatching of physical copies of the Notice of the AGM and the Annual Report for the year 2021-22, the said documents are being sent only by email to the Members.

Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the AGM and the Annual Report for the year 2021-22 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-

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

ANNEXURE TO THE NOTICE

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

The following statement sets out all material facts relating to ordinary / special business mentioned in the accompanying notice dated 23rd May 2022 and shall be taken as forming part of the notice.

Item No. 4:

M/s. K. Nagaraju & Associates, Chartered Accountants, (Firm Registration No.002270S), were appointed as statutory auditors of the Company at the 35th AGM held on 3rd August 2017 to hold office from the conclusion of the said meeting till the conclusion of the 40th AGM to be held in the year 2022. In terms of the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, the Company can appoint or reappoint an audit firm as statutory auditors for not more than two (2) terms of five (5) consecutive years. M/s. K. Nagaraju & Associates is eligible for reappointment for a further period of five years. Based on the recommendations of the audit committee, the Board of Directors, at its meeting held on 23rd May 2022, approved the reappointment of M/s. K. Nagaraju & Associates as the statutory auditors of the Company to hold office for a second term of five consecutive years from the conclusion of the ensuing AGM until the conclusion of the 45th AGM to be held in the year 2027 on such remuneration as shall be fixed by the Board of Directors. The reappointment is subject to approval of the shareholders of the Company.

Brief profile of M/s. K. Nagaraju & Associates:

A leading Firm of Auditors, with a large client base spanning Indian businesses in India across sectors engaged in providing professional services such as Statutory Audits, Internal Audits, taxation, due diligence etc.

The Board recommends the resolution set forth in item no. 4 for the approval of members.

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

Item No. 5

Mr. R. Sridharan (DIN 00868787) is a Non-executive Independent Director in terms of relevant provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations. Based on the recommendation of the nomination and remuneration committee, the Board has appointed him as a Non-Executive and Independent Director for a term of five consecutive years from 23rd May 2022 to 22nd May 2027, subject to the approval of the shareholders through a special resolution and accordingly, the Board recommends the resolution set out as Item No.5 of the notice, for the approval by the shareholders of the Company.

The Company has received a notice under Section 160 of the Companies Act, 2013 ("the Act") from a member proposing his candidature for the office of Independent Director of the Company. Mr. R. Sridharan is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. He has given his consent to act as a Director and a declaration to the effect that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Mr. R. Sridharan fulfils the conditions specified in the Companies Act, 2013,

the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his appointment as a Non-Executive Independent Director of the Company and is independent of the management. The Terms and conditions of the appointment of the above Director are open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

The members' approval sought by way of Special Resolution will also be considered as approval in terms of Regulation 17 of SEBI (LODR) Regulations, 2015, duly amended vide Notification No. SEBI/LAD-NRO/GN/2018/10 dated 9th May 2018 when the Independent Director crosses 75 years of age during his term.

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

Mr. R. Sridharan aged about 71 years, is a graduate from Madras University. He started his carrier with State Bank of India as a Probationary Officer in 1972, and has held a variety of critical and challenging assignments in the Bank, both in India and abroad over a 39 years of long career. He served as the Managing Director & Group Executive (Associates & Subsidiaries) of State Bank of India (SBI), from 5th December, 2008 to 30th June 2011. As Managing Director he headed the Business Group controlling 6 Subsidiary Banks (Full-fledged commercial banks) and the non-banking subsidiaries of SBI (SBI Capital Markets Ltd., SBI Funds Management Private Limited, SBI Life Insurance Company Ltd., SBI General Insurance Company Ltd., SBI Cards & Payment Services Private Ltd., SBI DFHI Ltd., SBI Global Factors Ltd., SBI Pension Funds Private Ltd.). Mr. R. Sridharan has served as an advisor to the Ministry of Finance, Government of India, New Delhi.

Mr. R. Sridharan also served as the Managing Director of Clearing Corporation of India Limited (CCIL) and its wholly owned subsidiary Clearcorp Dealing Systems India Limited (Clearcorp) from August 2012 to July 2020. He brings with him a rich combination of knowledge and experience.

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

Details of other Directorships/Committee Memberships held by him:

Directorship	Committee Membership
Navi Finserve Limited	Stakeholder Relationship Committee IT Strategy Committee Risk Management Committee Audit Committee Nomination and Remuneration Committee
Chaitanya India Fin Credit Private Limited	CSR Committee IT Strategy Committee Risk Management Committee Audit Committee Nomination and Remuneration Committee

None of the Directors and Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the above resolution, except, Mr. R. Sridharan (DIN: 00868787).

Item No. 6:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors amounting to ₹ 1,75,000/- per annum (apart from re-imbursment of out-of-pocket expenses, if any), to conduct the audit of the cost records of the Company for the financial year ending 31st March 2023.

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

The Board of Directors recommends the ordinary resolution for your approval as set out under Item No. 6.

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

By Order of the Board

S.K. Sivakumar

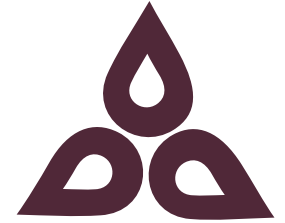
*Chief Financial Officer &
Company Secretary*

Place: Chennai

Date : 23rd May 2022

Registered Office

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



Performance Statistics

Particulars/Years	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Production Quantity (MTs)	67953	70025	71875	73592	73088	86098	92533	52175	55706	74881
Revenue from Operations (₹ in Lakhs)	50811	51522	54496	56107	57595	76170	86023	57085	61497	92734
EBIDTA (₹ in Lakhs)	3486	5099	4688	6601	6858	7588	8182	6186	5127	6749
Profit After Tax (₹ in Lakhs)	1391	2250	2194	3187	3398	3826	3844	3601	904	1422
Equity Share Capital (₹ in Lakhs)	1740	1740	1740	1740	1740	1740	1740	1740	1740	1740
Net Worth (₹ in Lakhs)	25159	26696	28160	30509	32965	36745	39515	42018	43009	44168
Net Fixed Assets (₹ in Lakhs)	18704	23315	23207	24776	24469	23755	29148	27700	42793	44060
Earnings Per Share of ₹ 2/-	1.60	2.59	2.52	3.66	3.91	4.40	4.42	4.14	1.04	1.64
Cash Earnings Per Share of ₹ 2/-	2.88	4.06	3.98	5.14	5.45	6.23	6.43	6.27	3.54	4.23
Book Value Per Share of ₹ 2/-	28.92	30.68	32.37	35.07	37.89	42.24	45.42	48.30	49.43	50.77
RONW IN %	5.53	8.43	7.79	10.45	10.31	10.41	9.73	8.57	2.10	3.22
Equity Dividend	25%	35%	35%	40%	45%	50%	50%	-	10%	15%

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

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NELCAST
LIMITED



BOARD OF DIRECTORS

Mr. D. Sessa Reddy
Chairman

Mr. P. Deepak
Managing Director

Mr. R. Mohan Reddy
Director

Mr. A. Balasubramanian
Director

Ms. Maheswari Mohan
Director

Mr. R. Sridharan
Director

Ms. P. Divya
Director

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. S.K. Sivakumar

REGISTERED OFFICE

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

CORPORATE OFFICE

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

PLANTS

1. Gudur Unit:

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

2. Ponneri Unit:

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

3. Pedapariya Unit:

259 to 261, Pedapariya Village,
Ozili Mandal, Nellore - 524 402

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

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

BANKERS

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

REGISTRAR AND SHARE TRANSFER AGENT

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

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MD's Message

Dear Shareholders,

The year gone by was a challenging one but was nonetheless, full of opportunities. Despite the difficult times, we believe what helped us navigate well, through the lows, was continued focus on our strengths and our determination to perform well. While the economic outlook still looks a little bleak, there have been signs of recovery on certain aspects that give us the much-needed relief and a new-found hope, as we enter the new financial year.

In FY2022, we achieved a revenue of ₹ 927.34 Crores, that is a growth of 50.8% over last financial year. This growth was driven by increased sales tonnage from 58,550 tonnes in FY2021 to 71,905 tonnes in the current fiscal. The remaining growth came from increased sales realization in terms of improved product mix with exports making up a larger slice than before (24.0% of revenues in FY2022 vs 20.7% in FY2021) and pass through of increases in raw material prices that happened throughout the year. In exports, we crossed the ₹ 200 Crores mark and reported our highest ever exports at ₹ 221.48 Crores, up 75.4% against last financial year. Our EBITDA margin stood at ₹ 9.0/kg against ₹ 9.2/kg in FY2021, due to the continuous increase in raw material prices and the lag in passing it to our customers.



I would like to take this opportunity to thank our employees for sticking through despite the difficult times. Our focus has been to go an extra mile in taking good care of the health of our employees along with the financial health of the Company.

Going forward, we expect demand in Medium & Heavy Commercial Vehicles (M&HCV) industry to remain strong. Typically, from a seasonality perspective, we normally see a 20-30% dip in CVs in Q1 compared to the preceding Q4. Fortunately, we have not seen that happen this year and they seem to be flat and potentially even on an increasing trend which is a very positive sign. Additionally, the production numbers projected by our customers in the CV space for the next few months have been encouraging. Given these factors, we expect the M&HCV would grow around 20% or so this year.

Similarly, on the tractor segment, we are seeing projections of strong growth by all the tractor manufacturers in terms of production volumes. These projections are being backed up by real demand as well with a growth of about 40% in April & May compared to the same period last year. Given the improving rural sentiments on the back of high reservoir levels, better crop price realization, forecast of normal monsoon and availability of credit, we believe the market is primed for a record year.



MD's Message - (Contd.)

We expect both M&HCVs and tractors to give a significant boost to our numbers. Along with this, we believe exports shall continue to perform well and have another strong year. This may be driven by a couple of things. First, the significant order backlogs among the OEMs in the US that has built up over time due to the shortage of semiconductor chips. However, the gradual improvement in terms of the availability of these chips will help ramp up the production among all our customers, which will ultimately drive growth for Nelcast. We have further planned new product launches that will happen in the second half of the year. These new launches will include our entry into the Light Vehicle segment in the US and the production will be fully ramped towards the end of the current fiscal year. We are further venturing into the EV space with the new order win for a component that will be used in an electric delivery truck. We shall be productionizing this component in the second half of the financial year as well.

There are also several new products that we have developed at our Pedapariya plant. These products along with the growth in the market, give us confidence that the utilization at our Pedapariya plant will undergo a significant ramp up. This will aid in improved operating leverage and achieve better profitability in the next financial year and beyond.

With this, I would like to thank all our stakeholders for your continued support in our journey. We are very excited to begin this year with full of hope and optimism.

With warm regards,

P. Deepak
CEO & Managing Director

BOARD'S REPORT

Your Directors are pleased to present the Fortieth Annual Report along with the audited financial statements for the financial year ended 31st March 2022:

PERFORMANCE	(₹ in Lakhs)	
FINANCIAL RESULTS	2021-22	2020-21
Total Income	93674.35	61985.13
PBIDT	6749.05	5127.15
Profit Before Tax (PBT)	1904.99	1228.79
Less: Provision for Tax	482.52	324.61
Profit After Tax (PAT)	1422.47	904.18
Add: Profit brought forwarded from previous year	9995.33	9004.16
Other Comprehensive Income	-90.08	86.99
Total Comprehensive Income available for Appropriation	11327.72	9995.33
Appropriations:		
General Reserve	-	-
Dividend on Equity Shares	-174.00	-
Surplus Carried to Balance Sheet	11153.72	9995.33

DIVIDEND

Your Directors recommend a dividend of 15% (₹0.30/- per share) for the financial year 2021-22. Payment of dividend is subject to the approval of shareholders at the ensuing Annual General Meeting. The dividend distribution policy framed by the Company in accordance with the Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) and approved by the Board of Directors is available on the website of the Company weblink: <http://nelcast.com/policies>.

TRANSFER TO RESERVES

No transfer to the General Reserves has been proposed for the financial year 2021-22.

SHARE CAPITAL

The paid up equity share capital as on 31st March 2022 was ₹ 1740.02 Lakhs.

OPERATIONS

During the year, the Company recorded Revenue from Operations of ₹ 927.34 Crores as against ₹ 614.97 Crores in 2020-21, an increase of about 51%. Our Exports business registered a growth of 75% compared with previous year and stood at ₹ 221.48 Crores. Profit After Tax made during the year is ₹ 14.22 Crores as against ₹ 9.04 Crores in 2020-21, an increase of about 57%. The production during the year was 74,881 MT, compared to previous year's 55,706 MT. During the year, the revenue and profitability improved due to better market demand from the domestic commercial vehicle industry and increased exports.

BOARD'S REPORT - (Contd.)

MATERIAL CHANGES & EVENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

OUTLOOK

Last year was very challenging for automotive industry due to the impact of COVID, supply chain disruptions, semiconductor shortage, coupled with rising input costs and diesel prices on the back of geopolitical crisis. Despite facing challenges, the Medium & Heavy Commercial Vehicle (M&HCV) segment bounced back in FY2021-22, reporting a growth of over 47% YoY. Rising truck utilization has been crucial in boosting freight rates that has resulted in increased demand for the truck segment. The first quarter was significantly impacted by the second-wave of COVID, however, volumes started to recover slowly in the second & third quarter matching the pre-pandemic levels. As we entered the fourth quarter, we witnessed a complete turnaround with volumes picking up pace setting a very healthy platform for the industry to go back in a healthy growth cycle in the coming years. Subsequent to the introduction of BS-6 vehicle norms, which has set a very good ecosystem in the economy, the operators are now more confident of operating technologically advanced vehicles with lower emissions, longer life and good fuel efficiency. With all these factors in place, we believe that the commercial vehicle industry has a strong potential upside for growth in the current year.

The Indian tractor industry declined by 6% in quantity terms in FY2021-22, after registering the highest ever annual production and domestic sales in the previous year. However, the industry achieved its highest ever export volumes during the year. The decline in domestic sales can be majorly attributed to high base effect of the previous fiscal. The increase in crop production and tractor sales resulted from favourable monsoon rains in the last two years. India has been expanding its tractor portfolio considerably, offering small horse-powered tractors to large capacity ones. Ever since the pandemic affected some crucial global markets, India has been capitalizing on the export opportunity and expanded to different continents with a better supply network. The Tractor industry expects a strong growth in the coming years on the back of augmented financial support to farmers through loans and subsidies, growth in agricultural productivity, tremendous potential to grow in the export market, government initiatives regarding rural development and farm mechanization along with various other factors, such as high rural wages and scarcity of farm labour, are likely to increase the tractor volume over the long term.

The ongoing scenario and challenges with respect to the geopolitical uncertainty, war and economic sanctions are expected to persist in the coming year as well. This will further impact input costs and inflation. Despite this, the fundamentals remain strong and long-term outlook remains positive for the Automotive Industry.

CONSOLIDATED FINANCIAL STATEMENTS

The Company has prepared Consolidated Financial Statements of Nelcast Limited and its subsidiary NC Energy Limited as at 31st March 2022, in accordance with the provisions of Section 129(3) of the Companies Act, 2013 and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and prepared in accordance with the Indian Accounting Standards prescribed by the Institute of Chartered Accountants of India. As required by the Listing Regulations, the audited Consolidated Financial Statements are circulated with the Annual Report.

BOARD'S REPORT - (Contd.)

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

QUALITY AND CUSTOMER SATISFACTION

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

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

DEPOSITS

The Company has not accepted any public deposits during the year and as such, no amount on account of principal or interest on deposits from public was outstanding as at 31st March 2022.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Composition

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

Director's appointment

Mr. R. Sridharan (DIN: 00868787) was appointed as an Additional (Non-Executive and Independent) Director of the Company with effect from 23rd May 2022. On recommendation of the Nomination and Remuneration Committee, the Board of Directors have proposed appointment of Mr. R. Sridharan as a Non-Executive and Independent Director, not liable to retire by rotation, for a period of five (5) consecutive years from 23rd May 2022 to 22nd May 2027. In the opinion of the Board, Mr. R. Sridharan fulfils the conditions specified in the Companies Act, 2013, and Rules made thereunder for appointment as Independent Director, possess integrity, necessary expertise, relevant experience, proficiency and is independent of the management of the Company. The resolution seeking shareholder's approval for his appointment forms part of the Notice.

BOARD'S REPORT - (Contd.)

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

Your Directors record their profound grief on the sad demise of Mr. R. Mohan Reddy, Non-Executive Independent Director on 20th May 2022. The company wishes to place on record his valuable contribution to the company. The Board further expresses their heartfelt condolences for his untimely death and wishes to put on record their sincere and deep appreciation of his invaluable guidance and contribution to the company's growth over the years.

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

Independent Directors

The Independent Directors have fulfilled the criteria of Independence as defined under Section 149(6) and requisite declarations in terms of Section 149(7) of the Companies Act, 2013 have been received. During the year under review, a separate meeting of independent directors was held on 1st February 2022.

COMMITTEES OF THE BOARD

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

MEETINGS OF THE BOARD AND COMMITTEES

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

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

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

BOARD'S REPORT - (Contd.)

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures, if any;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2022 and of the profit of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

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

CERTIFICATE FROM COMPANY SECRETARY IN PRATICE

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

BUSINESS RESPONSIBILITY REPORT

In terms of Regulation 34 of the Listing Regulations, the Business Responsibility Report for the year 2021-22 describing the initiatives taken from an environment, social and governance perspectives, in the prescribed format is given as Annexure-C to this Report and is also available on the Company's website viz., www.nelcast.com.

BOARD'S REPORT - (Contd.)

RELATED PARTY TRANSACTIONS

All transactions entered by the Company with related parties were in the ordinary course of the business and at Arm's Length basis. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large. The details of the transactions with related parties are given in the financial statements. The Related Party Transaction Policy is posted on the Company's website www.nelcast.com.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee.

DIVIDEND DISTRIBUTION POLICY

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

REMUNERATION POLICY OF THE COMPANY

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report.

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

BOARD'S REPORT - (Contd.)

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

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

AUDITORS

At the Annual General Meeting of the Company held on 3rd August 2017, M/s. K. Nagaraju & Associates, Chartered Accountants (Firm Registration No.002270S) were appointed as Statutory Auditors of the Company for a term of 5 (five) consecutive years from conclusion of 35th Annual General Meeting till the conclusion of the 40th Annual General Meeting. The term of office of M/s. K. Nagaraju & Associates as Statutory Auditors of the Company will conclude from the close of the forthcoming Annual General Meeting of the Company.

On the recommendation of Audit Committee, the Board of Directors at their meeting held on 23rd May 2022 approved the re-appointment of M/s.K.Nagaraju & Associates, Chartered Accountants (Firm Registration No.002270S) as statutory auditors for a second term of five (5) consecutive years from the conclusion of the 40th Annual General Meeting till the conclusion of 45th Annual General Meeting to be held in the year 2027.

The necessary resolution seeking your approval for their appointment as statutory auditors is included in the notice of the ensuing annual general meeting along with brief credentials and other necessary disclosures required under the Act and the Regulations.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. L.D. Reddy & Co., Practicing Company Secretaries to conduct Secretarial Audit for the year 2021-22. The Secretarial Audit Report for the financial year ended 31st March 2022 in Form No. MR-3 is annexed with this report in Annexure-D. Pursuant to Regulation 24(A) of SEBI Listing Regulations, the Company has obtained annual secretarial compliance report and the same will be submitted to the stock exchanges within the prescribed time.

COST AUDITORS

As per Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit & Auditors) Rules, 2014, the Board of Directors of your Company has appointed M/s. Jayaram & Associates, Cost Accountants as the Cost Auditors of the Company for the year 2022-23 on the recommendations made by the Audit Committee. The cost records as specified by the Central Government under subsection (1) of Section 148 of the Act, as required is maintained by the Company.

SECRETARIAL STANDARDS

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

BOARD'S REPORT - (Contd.)

EXTRACT OF ANNUAL RETURN

As required under Section 92(3) and 134(3)(a) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 (as amended), an extract of Annual Return in Form MGT-9 is available on the Company's website www.nelcast.com.

INDUSTRIAL RELATIONS

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

RISK MANAGEMENT POLICY

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

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Policy of the Company and details about the initiatives taken by the Company on CSR during the year as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been disclosed as part of this report in Annexure-E. Further details of composition of the Corporate Social Responsibility Committee and other details are provided in the Corporate Governance Report which forms part of this report.

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

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

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS

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

BOARD'S REPORT - (Contd.)

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure, and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings.

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

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

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

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

OTHER DISCLOSURES

- a. There are no instances of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions.
- b. The details regarding shares and dividend transferred / proposed to be transferred to the Investor Education and Protection Fund (IEPF) and other relevant details in this regard, have been provided in the Corporate Governance section of this Annual Report.
- c. The electronic copies of the 40th Annual Report and the Notice Convening the 40th AGM would be sent to all shareholders whose e-mail addresses are registered with the Company or their respective Depository Participants (DP) in accordance with the circulars issued by the Ministry of Corporate Affairs (MCA) read with circulars issued by the SEBI. The full Annual Report is available on the website of the Company and shall also be disseminated to the stock exchanges.
- d. In compliance with Section 134(3)(a) and 92(3) of the Act, the Annual Return is being uploaded on the website of the Company at www.nelcast.com.
- e. The Company has neither filed an application during the year under review nor are any proceedings pending under the Insolvency and Bankruptcy Code, 2016 as at 31st March 2022.
- f. During the financial year, there was no change in the nature of business of the Company.

ACKNOWLEDGEMENTS

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

Place: Chennai
Date : 23rd May 2022

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

ANNEXURE A TO THE BOARD'S REPORT

FORM NO. AOC-1

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

Statement containing salient features of the financial statements of subsidiary

Part "A": Subsidiary

(₹ in Lakhs)

S. No.	Particulars	
1	Name of the Subsidiary	NC Energy Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA
4	Share Capital	4131.00
5	Other Equity	-
6	Total Assets	4131.21
7	Total Equity and Liabilities	4131.21
8	Investments	-
9	Turnover	-
10	Profit Before Taxation	-
11	Provision for Taxation	-
12	Profit After Taxation	-
13	Proposed Dividend	-
14	% of shareholding	93.44

Notes:

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

Place: Chennai
Date : 23rd May 2022

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

ANNEXURE B TO THE BOARD'S REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of Nelcast Limited
34, Industrial Estate,
Gudur - 524 101.
Andhra Pradesh.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Nelcast Limited having CIN L27109AP1982PLC003518 and having registered office at 34, Industrial Estate, Gudur, Andhra Pradesh - 524 101 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr.No.	Name of the Directors	DIN	Date of appointment in Company
1	D. Sessa Reddy	00520448	07/06/1982
2	R. Mohan Reddy	00841038	02/01/1984
3	A. Balasubramanian	00490921	31/10/2009
4	P. Deepak	02785326	30/01/2012
5	P. Divya	05158352	30/01/2012
6	Maheswari Mohan	07156606	30/11/2020

Ensuring the eligibility for appointment and continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date : 14th May 2022

L. Dhanamjaya Reddy
Practicing Company Secretary
Membership No.: 13104
CP No.: 3752
UDIN : A013104D000322160

ANNEXURE C TO THE BOARD'S REPORT

BUSINESS RESPONSIBILITY REPORT (BRR)

(pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Introduction

Nelcast Limited is one of the largest Iron castings manufacturers in India, with a total revenue of ₹ 936.74 Crores for the year 2021-22. The Business Responsibility disclosures in this Report illustrate the Company's efforts towards creating and enduring value for all stakeholders in a responsible manner. This Report is aligned with National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG) released by Ministry of Corporate Affairs and is in accordance with Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). This Report provides an overview of the activities carried out by the Company under each of the nine principles as outlined in NVG.

Securities and Exchange Board of India (SEBI) has mandated the requirement of submission of Business Responsibility Report (BRR) for the first 1000 listed entities under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Nelcast Limited is pleased to present its BRR for 2021-22 based on the suggested framework provided by SEBI.

Section A: General information

01.	Corporate Identity Number (CIN):	L27109AP1982PLC003518
02.	Name:	Nelcast Limited
03.	Registered office address:	34, Industrial Estate, Gudur, Nellore Dt., Andhra Pradesh - 524 101, India
04.	Website:	www.nelcast.com
05.	E-mail address:	nelcast@nelcast.com
06.	Financial year reported:	2021-22
07.	Sector(s) engaged in: (industrial activity code-wise)	NIC Code: 24319 (Iron Castings)
08.	Key products / Services manufactured / provided:	
	i) Un-Machined Castings	
	ii) Machined Castings	
09.	Number of locations where business activity is undertaken:	
	i) International locations:	Nil
	ii) National locations:	3
10.	Markets served:	National and International

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

Section B: Financial details

- | | | |
|-----|--|-----------------|
| 01. | Paid up capital: | ₹ 17.40 Crores |
| 02. | Revenue from operations: | ₹ 927.34 Crores |
| 03. | Profit after tax: | ₹ 14.22 Crores |
| 04. | Spending on Corporate Social Responsibility: | ₹ 68.85 Lakhs |
| | (2% of average net profit of the Company for last 3 financial years) | |
| 05. | Activities in which the Corporate Social Responsibility expenditures have been incurred: The initiatives undertaken by the Company are in line with the eligible areas as listed under Schedule VII of the Companies Act, 2013. Please refer CSR report annexed to the Board's Report. | |

Section C: Other details

- | | | |
|-----|--|---|
| 01. | Number of subsidiary companies: | 1 |
| 02. | Participation of the subsidiary companies in Business Responsibility (BR) initiatives: No operation started in the subsidiary company. | |
| 03. | Percentage of participation in BR initiatives by other entities (suppliers / customers) with whom the Company does business: Most of our customers are Original Equipment Manufacturers (OEMs) and as per our understanding & information, all of them have their own BR initiatives. Suppliers are encouraged to participate in the Company's BR initiatives. | |

Section D: BR information

01. Details of the Director (responsible for BR) and the head of BR

- a. Details of the Director:

Name:	Mr. P. Deepak
Designation:	Managing Director
DIN:	02785326

- b. Details of the head of BR:

Name:	Mr. S.K. Sivakumar
Designation:	Chief Financial Officer
E-mail address:	sivakumar@nelcast.com
Telephone:	(+91 44) 24983111

02. Principles related to BR as per National Voluntary Guidelines

The National Voluntary Guidelines on Economic, Environmental and Social responsibilities of Businesses released by the Ministry of Corporate Affairs has adopted 9 Principles related to BRR. These are as follows:

P1 Ethics, transparency and accountability

Businesses should conduct and govern themselves with ethics, transparency and accountability.

P2 Safe and sustainable goods and services

Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle.

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

- P3 **Well-being of the employees**
Businesses should promote the well-being of all employees.
- P4 **Responsiveness to all Stakeholders**
Businesses should respect the interests of and be responsive towards all the Stakeholders, especially those who are disadvantaged, marginalised and vulnerable.
- P5 **Promoting Human rights**
Businesses should respect and promote human rights.
- P6 **Environment**
Businesses should respect, protect and make efforts to restore the environment.
- P7 **Responsible policy advocacy**
Businesses, when engaged in influencing public and regulatory policy, will do so in a responsible manner.
- P8 **Equitable development**
Businesses should support inclusive growth and equitable development.
- P9 **Value to the customers**
Businesses should engage with and provide value to their customers and consumers in a responsible manner.

a. Details of the compliance (Y: Yes, N: No)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
01.	Does the Company have policies for the principles of BR?	Y	Y	Y	Y	Y	Y	Y	Y	Y
02.	Have the policies been formulated in consultation with the relevant Stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
03.	Do the policies conform to any national international standards? (Standards such as ISO 14000(EMS) IATF (Quality))	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Company has developed policies for its significant operations in conformance with the international standards (such as IATF 16949/ ISO9001, ISO14001, OHSAS 18000)								
04.	Have the policies been approved If so, has it been signed by the owner/ MD Appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies have been approved by the board and internal management								
05.	Does the Company have a specified Committee of the Board/ Director Officials to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		MD and senior officials will oversee implementation of policies								
06.	What is the URL to view the policies online?	www.nelcast.com								
07.	Have the policies been formally communicated to all relevant internal and external Stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies have been communicated to relevant internal and external stakeholders.								

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

08.	Does the Company have an in-house structure to implement the policies?	Y	Y	Y	Y	Y	Y	Y	Y
09.	Does the Company have a grievance redressal mechanism to address grievances of the Stakeholders (related to the policies)?	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit / evaluation of the working of the policies by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y

03. Governance

No.	Questions	Frequency
a.	What is the frequency with which the Board, Committee of the Board or the CEO assesses the BR performance?	3-6 months Please refer Corporate Governance section of the Company's Annual Report for the year 2021-22 for details of the various committees and their responsibilities.
b.	Whether BR and Sustainability reports be published and if so, its frequency and the URL of the published reports?	Published annually. URL: http://www.nelcast.com

Section E: Principle-wise performance

Principle 1: Ethics, transparency and accountability

Businesses must conduct and govern themselves with ethics, transparency and accountability.

01. Does the Policy relating to ethics, bribery and corruption cover only the Company or does it extend to the Group / joint ventures / suppliers / contractors / NGOs / others?

The Policy extends to the Group / joint ventures / suppliers / contractors / NGOs / others. The Company has an exhaustive code of conduct policy which covers all aspects of ethical practices. The Company has Whistle blower policy and is fundamental to the Company's professional integrity.

02. How many Stakeholders' complaints have been received in 2021-22 and what percentage was satisfactorily resolved by the Management?

During 2021-22, no such complaints were received from the Stakeholders and there were no outstanding complaints as on 31st March 2022.

Principle 2: Safe and sustainable goods and services

Businesses will provide goods and services that are safe and contribute to sustainability throughout their lifecycle.

01. List up to 3 products or services of the Company whose design(s) has (have) incorporated social or environmental concerns, risks and / or opportunities.

- i) Brackets for BS VI After Treatment System Mounting
- ii) Bed Plate for BS VI Vehicle
- iii) Diff Case for Electric Truck

During the year we have supported the OEMs to develop their vehicles which have lower environmental effect.

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

02. Does the Company have procedures in place for sustainable sourcing (including transportation)? If so, what percentage of inputs was sourced sustainably?

The Company is in the process of institutionalizing procedures for sustainable sourcing including transportation. Currently, the Company expects its suppliers to abide by IATF 16949/ISO 9001 and ISO 14001 standards.

03. Has the Company taken any steps to procure goods and services from local and small producers / providers, including communities surrounding its place of work? If so, what steps have been taken to improve their capacity and capability?

The Company gives preference to local and small producers / providers of goods and services based near its manufacturing sites. Its employees regularly interact with such producers / providers of goods and services to improve their capacity and capability, particularly in the areas of manufacturing, fabrication, safety, health and environment.

04. Does the Company have a mechanism to recycle its products and waste? If so, what percentage of products and waste is recycled (separately as <5%, 5-10%, >10%) and what are the details thereof?

The Company has in-house facilities to recycle its waste and is continuously striving to minimise them. At present, it is recycling 5-10% of its waste. To optimize our material consumption, we also use recycled materials in our process to the maximum extent. All our solid waste, packing materials are sold to the authorized scrap dealers & further it is recycled and reused by them. The wasted water generated from our operations are recycled and reused. We emphasize reduction of waste followed by recycling and final disposal in a responsible manner. In addition to the in-house facilities, it also works with selected companies which are duly authorised by the State Pollution Control Board (SPCB) for using such waste as their inputs.

Principle 3: Well-being of the employees

Businesses will promote the well-being of all employees.

01. Number of employees: 1121 permanent employees as on 31st March 2022
02. Number of employees on temporary/contractual/casual basis: 509 as on 31st March 2022
03. Number of permanent women employees: 1 as on 31st March 2022
04. Number of permanent employees with disabilities: 3 as on 31st March 2022
05. Recognition of employee association by the Management: Yes
06. Percentage of permanent employees who are members of the recognised employee associations: 100% of permanent employees in the workmen category.
07. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment, discriminatory employment in 2021-22 and pending as on 31st March 2022: Nil

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

08. Percentage of employees given safety and skill up-gradation training last year:

Safety being one of our core values, we are committed to continuous improvement of our safety performance. We believe that providing safe workplace is our key responsibility. We make sure that our premises, operations, and systems are safe. We have a safety policy which covers all our manufacturing plants and office buildings. We are constantly looking for ways to strengthen our safety performance across facilities and locations. We provide safety training to newly joined employees and refresher safety training is conducted periodically.

Skill upgradations, also forms part of our strategic plan, wherein employees are identified based on the need and the training is provided across all the levels. Now we are providing the training through digital model also.

Principle 4: Responsiveness to all Stakeholders

Businesses will respect the interests of and be responsive towards all Stakeholders, especially those who are disadvantaged, marginalised and vulnerable.

01. Has the Company mapped its internal and external Stakeholders?

The Company has mapped its internal and external Stakeholders; they are community, consumers, customers, employees, Suppliers, Regulatory Authorities, Government, lenders, NGOs and the Shareholders.

02. Out of the above, has the Company identified the disadvantaged, marginalised and vulnerable Stakeholders?

The Company has identified schools in rural villages which have children economically poor, migrated population who are working in various semi-skilled and unskilled professions.

03. Are there any special initiatives taken by the Company to engage with the disadvantaged, marginalised and vulnerable Stakeholders?

We believe that education is the most powerful tool for social and economic transformation. We help the schools situated in the villages by providing books, infrastructural facilities, drinking water facilities. We also provide drinking water to communities to address the shortage of safe drinking water. We have given more details of various initiatives undertaken by the Company are given in the CSR Report.

Principle 5: Promoting Human rights

Businesses will respect and promote human rights.

01. Does the Policy of the Company on human rights cover only the Company or extend to the Group / joint ventures / suppliers / contractors / NGOs / others?

The Policy extends to the Group / joint ventures / suppliers / contractors / NGOs / others.

02. How many Stakeholder complaints have been received in 2021-22 and what percent was satisfactorily resolved by the Management?

During the year 2021-22, no complaints were received.

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

Principle 6: Environment

Businesses will respect, protect and make efforts to restore the environment.

01. Does the Policy related to environment cover only the Company or extend to the Group / joint ventures / suppliers / contractors / NGOs / others?

The Policy extends to the Group / joint ventures / suppliers / contractors / NGOs / others.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? If so, what is the URL?

The Company has strategies / initiatives for enhancing its own performance related to issues concerning the environment. There is no URL at present. We have energy conservation activities across all our plants. Procurement of green electricity (Windmill), Emission reduction through lesser emission fuels such as LPG instead of diesel, Mass plantation of saplings, Water conservation projects and Supporting OEMs to develop BS VI vehicles.

3. Does the Company identify and assess potential environmental risks?

The Company identifies and assesses potential environmental risks for its existing and new products.

4. Does the Company have any project related to Clean Development Mechanism? If so, state the details thereof and mention whether any environmental compliance report is filed.

We are committed to complying fully with all applicable environmental laws and regulations imposed by Central/ State Pollution Control Board.

5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc? If so, what is the URL?

The Company regularly undertakes many initiatives related to clean technology, energy efficiency, renewable energy, etc. Some of our initiatives are highlighted below:

- Renewable Energy, Wind Energy, Lower Emission Fuels
- Process: Energy & Water conservation
- Installed Energy Monitoring System (EMS), installed LED lights across the Company, procured only those motors which are energy efficient. At present, it does not have any URL.

06. Are the emissions / waste generated by the Company within permissible limits given by CPCB/ SPCB for 2021-22?

The effluents / emissions / waste generated by the manufacturing facilities of the Company are within the permissible limits given by Central Pollution Control Board (CPCB) and State Pollution Control Board (SPCB).

07. Number of show cause / legal notices received from CPCB / SPCB which are pending (not resolved to satisfaction) as of end of 2021-22.

There were no pending show cause notices as on 31st March 2022.

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

Principle 7: Responsible Policy Advocacy

Businesses, when engaged in influencing public and regulatory policy, will do so in a responsible manner.

01. Is the Company a member of any trade chamber or association?

The Company is a member of various associations such as:

- i) Automotive Component Manufacturers Association
- ii) Confederation of Indian Industry
- iii) The Institute of Indian Foundry Men
- iv) Tamil Nadu Electricity Consumer Association
- v) Andhra Chamber of Commerce
- vi) Madras Management Association
- vii) Indo-American Chamber of Commerce

02. Has the Company advocated / lobbied through above associations for advancement or improvement of public good? If so, which are the broad areas?

The Company works with the trade associations from time to time for advancement or improvement of public good. For example, it worked with such associations and on its own for promoting energy efficiency, environmental protection and promoting MSMEs.

Principle 8: Equitable Development

Businesses will support inclusive growth and equitable development.

01. Does the Company have specified programs / projects / initiatives in pursuit of the Policy related to equitable development? If so, what are the details thereof?

The Company has 4 programs, namely, Education, Empowerment, Health/Relief, and Conservation in support of inclusive growth and equitable development. Serving the society is embedded in its working since its inception

- The details of initiatives undertaken for such programs are given in the CSR Report.

02. Are the programs / projects undertaken through in-house teams / own foundation / external NGOs / Government structures / any other organisation?

The Company undertakes projects through in-house teams and NGOs and other selected agencies. We encourage all our employees to participate in CSR activities towards development of society.

03. Has the Company done any impact assessment of its initiatives?

Every initiative is monitored and reviewed for its effective implementation, quantitatively and qualitatively.

04. What is the direct contribution of the Company towards community development in terms of amount (in ₹) and what are the details of the projects / initiatives undertaken?

The direct contribution of the Company was ₹ 68.85 lakhs (2021-22); details of the projects / initiatives undertaken are mentioned in the CSR Report.

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

5. Has the Company taken steps to ensure that community development projects / initiatives are successfully adopted by the community?

The Company identifies and implements projects along with the beneficiaries to ensure their successful adoption. Wherever we implement our other CSR projects, we monitor and ensure that the local community successfully adopts the same.

Principle 9: Value to the Customers

Businesses will engage with and provide value to their customers in a responsible manner.

01. What percentage of customer complaints / consumer cases are pending as on 31st March 2022?

Around 3%. All these related to routine operations and there are no consumer cases.

02. Does the Company display product information on the product label, over and above what is mandated as per local laws?

The Company provides test/quality certificates along with the product.

Any additional information required is provided to the customers.

03. Is there any case filed by any Stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last 5 years and pending as on 31st March 2022?

No cases were filed by any Stakeholder against the Company for the above reasons.

04. Did the Company carry out any consumer survey / satisfaction trends?

The Company undertakes customer satisfaction surveys periodically. The feedback received is compiled and analysed to improve the performance of the company.

ANNEXURE D TO THE BOARD'S REPORT

FORM NO. MR-3

**SECRETARIAL AUDIT REPORT
For the Financial Year Ended 31st March 2022**

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

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in my opinion, the Company has, during the audit period from 01.04.2021 to 31.03.2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minutes book, forms and returns filed and other records maintained by **M/s. Nelcast Limited ("The Company")** for the period from 01.04.2021 to 31.03.2022 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. SEBI (Prohibition of Insider Trading) Regulations, 2015
 - c. The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the company during audit period)
 - d. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the audit period)

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

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

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

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

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

- Declaration and payment of dividends;
 - Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
4. We further report that there was no prosecution initiated and no fines or penalties were imposed during the period under review under the Companies Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed thereunder against the Company or its Directors and Officers except the fees/fine levied by Stock Exchanges against the Company for delay in appointment of Director/Woman Independent Director, under Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Company has paid the applicable fees/fine to stock exchanges for the delay in appointment.
5. We Further Report That:
- The Company is paying wages to all employees as per the provisions of Minimum Wages Act, 1948 and The Payment of Wages Act, 1936.
 - The company is regular in payment of gratuity as per the rules of the Payment of Gratuity Act, 1972 and has provided 100% provision in the books of accounts.
 - The Company has filed return as per the Factories Act, 1948.
 - The Company is regular in publishing Audited and Unaudited Financial Results.
 - The Company has renewed the Insurance Policy under Employees State Insurance Act, 1948.
 - The Company is paying bonus to all employees as per the provisions of the Payment of Bonus (Amendment) Act, 2015.
 - The Company is regular in paying all statutory dues like PF, ESI, Goods and Services Tax, Income Tax etc.,
6. We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
7. We further Report that during the audit Period the Company has
- No Public /Right/Preferential Issue of Shares/Debentures/Sweat Equity etc.;
 - No Redemption/Buy-back of Securities;
 - No major Decision taken by the members in pursuance of Section 180 of the Companies Act, 2013;
 - No Merger/Amalgamation/Reconstruction, etc.,
 - No Foreign Technical Collaborations;

Place: Hyderabad
Date : 14th May 2022

**For L.D. Reddy & Co.,
Company Secretaries
L. Dhanamjaya Reddy
(Proprietor)
CP No.: 3752
M. No. : 13104
UDIN : A013104D000321775**

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

ANNEXURE

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

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

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

Place: Hyderabad
Date : 14th May 2022

**For L.D. Reddy & Co.,
Company Secretaries**
L. Dhanamjaya Reddy
(Proprietor)
CP No.: 3752
M. No. : 13104
UDIN: A013104D000321775

ANNEXURE E TO THE BOARD'S REPORT

**ANNUAL REPORT ON CSR ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022**

1. Brief outline on CSR Policy of the Company:

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

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	P. Deepak	Chairman	1	1
2	D. Sessa Reddy	Member	1	1
3	P. Divya	Member	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.	http://nelcast.com/wp-content/uploads/2018/08/csr_policy_nelcast_ltd.pdf
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).	Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	Nil

Sl. No.	Financial Year	Amount available for set-off from preceding financial year	Amount required to be set-off for the financial year, if any
		-- Nil --	

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

₹ in Lakhs

6. Average net profit of the company as per section 135(5)	3360.39
7. (a) Two percent of average net profit of the company as per section 135(5)	67.21
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	-
(c) Amount required to be set off for the financial year, if any	-
(d) Total CSR obligation for the financial year (7a+7b-7c).	67.21

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

Total amount spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
68.85	-	-	-	-	-

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

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

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area	Location of the Project		Amount spent for the project	Mode of Implementation - Direct (Yes / No)	Details of Implementing Agency	
				State	District			Name	CSR Regn. Number
1	Healthcare	Health Camps, Medical help to Underprivileged, Malnutrition reduction, Hunger relief, relief for COVID-19 etc.,	Yes	AP	Nellore	20.17	Direct	NA	NA
				TN	Tiruvallur	18.00	Direct	NA	NA
				TN	Chennai	10.00	Indirect	Dr. Mehta's Medical Trust	CSR000 12776
				TN	Chennai	6.00	Indirect	Cancer Research & Relief Trust	CSR000 09049
				TN	Chennai	1.00	Indirect	Aranya Foundation	CSR000 28786
2	Vocational Training	Vocational training to unemployed youth, school dropouts, placement linked skills development training etc.,	Yes	AP	Nellore	9.73	Direct	NA	NA
3	Community Development	Providing safe drinking water to community	Yes	AP	Nellore	3.45	Direct	NA	NA
4	Promotion of Rural Sports	To promote rural sports	Yes	AP	Nellore	0.50	Direct	NA	NA
		Total				68.85			

(d) Amount spent in Administrative Overheads:

Nil

(e) Amount spent on Impact Assessment, if applicable:

Not Applicable

(f) Total amount spent for the Financial Year

68.85 Lakhs

(8b+8c+8d+8e)

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

(g) Excess amount for set off, if any

₹ in Lakhs

Sl. No.	Particulars	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	67.21
(ii)	Total amount spent for the Financial Year	68.85
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.64
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.64

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Nil

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Nil

Place: Chennai
Date : 23rd May 2022

P. Deepak
Chairman
CSR Committee

ANNEXURE F TO THE BOARD'S REPORT

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

A. CONSERVATION OF ENERGY :

- | | |
|--|--|
| a) Energy conservation measures undertaken | The Company continues its efforts to improve energy conservation through upgradation of process technology and various energy saving initiatives such as LED lighting, compressor air leakage monitoring, automatic power factor control panels. The Company does periodical Energy Audit. The Company has also certified for ISO 50001. |
| b) Additional investments and proposals if any being implemented for the reduction of consumption of energy | Investment is being made to improve Power Factor |
| c) Impact of measures at (a) and (b) above for the reduction of energy consumption and consequent impact on the cost | Energy Savings |
| d) Total energy consumption and Energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto | Not Applicable |
| e) The Company has utilized power generated through wind as alternative source. | |

B. TECHNOLOGICAL ABSORPTION :

Research & Development (R & D)

1. Specific areas in which R & D is carried out by the Company.

Existing activities:

The Company has been continuously putting efforts to develop new products for new applications to Commercial Vehicle, Tractor and Construction Equipment segments. The Company is committed to introducing new products and improving existing products to have better performance levels. During the year, the Company has developed more than 40 new components for these segments. The Company also developed new products for other engineering applications. The Company is doing many research activities in the areas of new material development, component weight reduction, yield improvement, core weight reduction, process design, process improvement etc.

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

2. Benefits derived from R & D activities:

- (a) Improved market penetration of new platforms and models creating critical momentum for further growth.
- (b) New opportunities in global markets through the new capabilities developed.
- (c) Improved competency for designing process & products for global customers.
- (d) Reduced product development lead time and improved product quality due to advancement of simulation capabilities.
- (e) Improvement of existing products to achieve higher yield, better productivity & more consistent quality.

3. Future plan of action :

- (i) Continued expansion of the product range to serve the local and global market needs. Expanding market for Automotive applications & conversion of components from other processes & materials to Iron Castings.
- (iii) New materials development for innovative next generation products like Austempered Ductile Iron applications.
- (iv) Develop new processes technologies to improve the product quality and performance.
- (v) To co-develop components closely with our customers to improve product performance & manufacturability.
- (vi) Development of more consistent and reliable products.

4. Expenditure on R & D:

₹ in Lakhs

Capital expenditure	:	-
Revenue expenditure	:	848.53
Total	:	848.53
Total expenditure as percentage of net sales	:	0.92%

C. FOREIGN EXCHANGE EARNING AND OUTGO:

a) Activities relating to export initiatives taken to increase, development of new export markets	:	Ongoing marketing campaign in the USA and Europe is expected to yield results in the coming years.
b) Total Foreign Exchange Used	:	₹ 2915.52 Lakhs
Total Foreign Exchange Earned	:	₹ 20744.76 Lakhs

Place: Chennai
Date : 23rd May 2022

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

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

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

Composition of the Board of Directors:

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

The Board comprises of one executive director and five non-executive directors, out of which four are independent directors. All non-executive independent directors are persons of eminence and bring a wide range of expertise and experience to the Board. The Independent Directors fulfill the conditions specified in the regulations and are independent of the Management. Mr. P. Deepak and Ms. P. Divya are related to each other. There is no inter-se relationship among the other Directors of the Company.

Independent Directors

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

Appointment / Re-appointment of Directors

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

REPORT ON CORPORATE GOVERNANCE - (Contd.)

Directors' Membership as on 31st March 2022 in other Boards or Committees thereof:

Name of the Director	Other Boards	Other Board Committees	Directorship in other Listed Entities		
			Number of Listed Entity	Name of the Listed Entity	Category of Directorship in the Listed Entity
Mr. D. Sessa Reddy	2	2	1	Dodla Dairy Ltd.	Non-Executive, Non-Independent Director
Mr. R. Mohan Reddy*	3	5	1	Lokesh Machines Limited	Independent Director
Mr. A. Balasubramanian	1	2	1	Butterfly Gandhimathi Appliances Limited	Independent Director
Ms. Maheswari Mohan	1	-	1	Butterfly Gandhimathi Appliances Limited	Independent Director
Mr. P. Deepak	2	-	-	-	-
Ms. P. Divya	2	-	-	-	-

* demised on 20th May 2022

Board Meetings:

During the financial year, meetings of the Board of Directors were held on 31st May 2021, 12th August 2021, 1st November 2021 and 2nd February 2022.

The details of attendance of Directors at the Board Meetings and the last Annual General Meeting is given below:

Name of the Director	Category in the Company	Board Meetings	Annual General Meeting
Mr. D. Sessa Reddy	Chairman, Non-Executive & Independent	4	Attended
Mr. R. Mohan Reddy	Non-Executive & Independent	4	Attended
Mr. A. Balasubramanian	Non-Executive & Independent	4	Attended
Ms. Maheswari Mohan	Non-Executive & Independent	4	Attended
Mr. P. Deepak	Executive & Promoter	4	Attended
Ms. P. Divya	Non-Executive & Promoter	3	Attended

REPORT ON CORPORATE GOVERNANCE - (Contd.)

SKILLS, EXPERTISE AND COMPETENCIES OF THE BOARD

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

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

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

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

REPORT ON CORPORATE GOVERNANCE - (Contd.)

3. AUDIT COMMITTEE

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

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

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

The Audit Committee is chaired by Mr. A. Balasubramanian (Independent Director), and its members include Mr. R. Mohan Reddy (Independent Director), Mr. D. Sessa Reddy (Independent Director) and Mr. P. Deepak (Non-Independent Director). The meetings were held on 31st May 2021, 12th August 2021, 1st November 2021 and 2nd February 2022.

Name of the Member	No. of Audit Committee Meetings held	No. of Audit Committee Meetings attended
Mr. A. Balasubramanian	4	4
Mr. R. Mohan Reddy	4	4
Mr. D. Sessa Reddy	4	4
Mr. P. Deepak	4	4

REPORT ON CORPORATE GOVERNANCE - (Contd.)

4. NOMINATION & REMUNERATION COMMITTEE

The Company has a Nomination and Remuneration Committee constituted pursuant to the provisions of the Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, which decides the Remuneration of all the directors and senior management members of the Company. The Committee comprises Mr. R. Mohan Reddy (Independent Director), Chairman, Mr. D. Sesha Reddy (Independent Director) and Mr. A. Balasubramanian (Independent Director), Members. During the year under review, two meetings of the Nomination and Remuneration Committee were held on 31st May 2021 and 2nd February 2022.

Name of the Member	No. of Nomination & Remuneration Committee Meetings Held	No. of Nomination & Remuneration Committee Meetings Attended
Mr. R. Mohan Reddy	2	2
Mr. D. Sesha Reddy	2	2
Mr. A. Balasubramanian	2	2

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

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

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

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board has set up a Corporate Social Responsibility Committee for the Company which decides CSR Policies and activities of the Company. The Committee comprises Mr. P. Deepak, Chairman, Mr. D. Sesha Reddy, and Ms. P. Divya, Members. There was one meeting held on 31st May 2021 and all the members attended the meeting. The committee formulates and recommends to the Board a CSR policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013. The committee also monitors and reviews the CSR policy periodically and attends to such other matters and functions as may be prescribed from time to time.

REPORT ON CORPORATE GOVERNANCE - (Contd.)

6. RISK MANAGEMENT COMMITTEE

In compliance with Regulation 21 of the Listing Regulations, the Board had constituted the Risk Management Committee. The terms of reference of the Committee covers all the matters specified in said Listing Regulations. The Company has in place a policy on risk assessment and minimization procedure to reduce or prevent undesirable incidents or unexpected loss. The policy is reviewed periodically. Risk Management policy may be accessed on the Company's website www.nelcast.com.

The Committee comprises Mr. P. Deepak, (Director), Chairman, Mr. A. Balasubramanian, (Independent Director) and Ms. Maheswari Mohan (Independent Director), Members. During the year under review, two meetings of the Risk Management Committee were held on 12th August 2021 and 2nd February 2022 and the attendance of members are given below:

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

7. INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on 1st February 2022, inter alia, to discuss:

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

All the independent Directors were present at the meeting.

8. FAMILIARISATION PROGRAMME

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

REPORT ON CORPORATE GOVERNANCE - (Contd.)

9. PARTICULARS OF SITTING FEE / REMUNERATION PAID TO DIRECTORS DURING THE FINANCIAL YEAR 2021-22

Particulars of Sitting Fee paid to Non-Executive Directors:

Name of the Non-Executive Directors	Sitting Fee (₹)
Mr. D. Sesha Reddy	5,00,000
Mr. R. Mohan Reddy	4,80,000
Mr. A. Balasubramanian	5,00,000
Ms. Maheswari Mohan	2,60,000

Remuneration paid to Whole-time Directors:

Details	Managing Director (₹)
Remuneration	1,82,22,635

Pecuniary transactions with Non-Executive Directors

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

10. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholder's Relationship Committee has been constituted pursuant to Section 178 of the Companies Act, 2013 and as per the requirements under the Listing Regulations, to look into all types of grievances from shareholders and redress them expeditiously. The committee comprises of Mr. D. Sesha Reddy (Independent Director), Chairman, Mr. R. Mohan Reddy (Independent Director) and Mr. P. Deepak (Non-Independent Director), Members. The Company Secretary is the Compliance Officer of the committee. During the year, the committee met on 1st November 2021 and all the members have attended the meeting.

Number of pending share transfers:

As on 31st March 2022, there were no share transfers pending. Share Transfers have been effected during the year well within the time prescribed by the Stock Exchanges and a certificate to this effect duly signed by a Practicing Company Secretary has been furnished to Stock Exchanges.

Compliance Officer:

S.K. Sivakumar

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

Number of Shareholder complaints received & resolved during the year 2021-22: Nil

No. of pending complaints as on 31st March 2022: - Nil -

REPORT ON CORPORATE GOVERNANCE - (Contd.)

11. GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2020-21	Through Video Conferencing (“VC”) / Other Audio-Visual Means (“OVAM”)	09.08.2021	03.30 PM
2019-20	Through Video Conferencing (“VC”) / Other Audio-Visual Means (“OVAM”)	27.08.2020	03.30 PM
2018-19	P.V.R. Kalyanamandapam, Near R.T.C. Bus Stand, Gudur - 524 101	01.08.2019	11.00 AM

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

Year	Subject Matter of Special Resolution	Date of AGM
2020-21	Changes in terms of appointment of Mr. P. Deepak, Managing Director	09.08.2021
2019-20	Changes in terms of appointment of Mr. P. Deepak, Managing Director	27.08.2020
2018-19	Re-appointment of Mr. D. Sesha Reddy as an Independent Director, Mr.R.Mohan Reddy as an Independent Director and Mr.A.Balasubramanian as an Independent Director and Further Issue of Securities	01.08.2019

iii. Postal Ballot: - Nil -

iv. E-Voting

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

12. MEANS OF COMMUNICATION

- The Quarterly / Half-yearly financial results published in one National Edition (English Language) and one in Regional Edition.
- The quarterly shareholding pattern is posted in BSE & NSE websites and in Company’s website www.nelcast.com.

13. DISCLOSURE OF ACCOUNTING TREATMENT

The financial statements for the year 2021-22 have been prepared in compliance with Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Companies Act, 2013.

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

REPORT ON CORPORATE GOVERNANCE - (Contd.)

14. DETAILS OF CREDIT RATING OBTAINED BY THE COMPANY

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

During the year ICRA has re-affirmed the credit rating of ICRA A for long term fund and ICRA A1 for short term fund-based facilities. Outlook revised from Negative to Stable.

15. GENERAL SHAREHOLDER INFORMATION

Registered Office	34, Industrial Estate, Gudur - 524 101, Andhra Pradesh. Ph: 08624-251266/766, Fax: 08624-252066	
Annual General Meeting	Date and Time: 3 rd August 2022 & 3.30 PM. Through Video Conferencing & Other Audio-Visual Means	
Financial Year	1 st April to 31 st March	
Financial Calendar (Tentative)	<ul style="list-style-type: none"> Results for the quarter ending 30th June 2022 - by 2nd week of August 2022. Results for the quarter and half year ending 30th Sep 2022 - by 2nd week of November 2022. Results for the quarter and nine months ending 31st Dec 2022 - by 2nd week of February 2023. Results for the year ending 31st March 2023 - by May 2023. 	
Date of Book Closure	28 th July 2022 to 3 rd August 2022 (both days inclusive)	
Dividend Payment Date	Within 30 days from 3 rd August 2022	
Listing of Stock Exchanges	Name of Exchange	Stock Code
	1. Bombay Stock Exchange Limited (BSE), P J Towers, Dalal Street, Mumbai - 400 001.	532864
	2. National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051.	NELCAST
ISIN	INE189I01024	
Payment of Listing Fees	The Company has paid in advance the Listing Fees to both stock exchanges above for the financial year 2022-23.	

REPORT ON CORPORATE GOVERNANCE - (Contd.)

Market price data: High, Low during each month in the financial year 2021-22:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr'21	72.45	61.50	72.90	62.25
May'21	81.40	65.05	81.45	66.30
Jun'21	82.90	68.65	82.70	69.25
Jul'21	100.00	71.00	100.35	71.90
Aug'21	99.30	75.15	98.30	75.05
Sep'21	95.60	80.20	95.70	80.00
Oct'21	97.05	81.95	96.70	81.50
Nov'21	88.50	71.05	88.30	70.65
Dec'21	89.05	72.45	88.95	71.20
Jan'22	95.75	78.20	95.70	79.00
Feb'22	85.65	62.80	85.85	62.85
Mar'22	70.50	58.70	70.60	58.50

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

Month	BSE		BSE Sensex	
	High (₹)	Low (₹)	High	Low
Apr'21	72.45	61.50	50375.77	47204.50
May'21	81.40	65.05	52013.22	48028.07
Jun'21	82.90	68.65	53126.73	51450.58
Jul'21	100.00	71.00	53290.81	51802.73
Aug'21	99.30	75.15	57625.26	52804.08
Sep'21	95.60	80.20	60412.32	57263.90
Oct'21	97.05	81.95	62245.43	58551.14
Nov'21	88.50	71.05	61036.56	56382.93
Dec'21	89.05	72.45	59203.37	55132.68
Jan'22	95.75	78.20	61475.15	56409.63
Feb'22	85.65	62.80	59618.51	54383.20
Mar'22	70.50	58.70	58890.92	52260.82

REPORT ON CORPORATE GOVERNANCE - (Contd.)

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

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

Distribution of shareholding within various categories as on 31st March 2022:

No. of Equity Shares held	No. of Shareholders	% of Share Holders	No. of Shares	% of Share holding
1 - 500	24845	84.97	3504325	4.03
501 - 1000	2421	8.28	1968291	2.26
1001 - 2000	987	3.38	1493939	1.72
2001 - 3000	345	1.18	885531	1.02
3001 - 4000	130	0.44	463083	0.53
4001 - 5000	127	0.43	613658	0.71
5001 - 10000	194	0.66	1443220	1.66
10001 and above	192	0.66	76629153	88.07
Total	29241	100.00	87001200	100.00

Shareholding Pattern as on 31st March 2022:

Category	No. of Shares held	Percentage
Promoter & Promoter Group	65134249	74.87
Bodies Corporate	1573044	1.81
Individuals	15916730	18.30
HUF	809732	0.93
Clearing Members	159337	0.18
Trust	2372421	2.73
Foreign Individuals/NRI	778185	0.89
Employees	3016	0.00
IEPF Authority	45486	0.05
Financial Institutions/Banks	209000	0.24
Total	87001200	100.00

REPORT ON CORPORATE GOVERNANCE - (Contd.)

Equity shares held by the Non - Executive Directors :

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

Dematerialization of Shares and liquidity:

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

100% of the total equity capital is held in dematerialized form with NSDL & CDSL as on 31st March 2022.

Plant Locations:

Gudur Unit

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

Ponneri Unit

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

Pedapariya Unit

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

Address for Correspondence:

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

16. OTHER DISCLOSURES

- i. The related party transactions during the financial year 2021-22 are disclosed in the report as required under Indian Accounting Standard 24 (Ind AS 24) notified vide the Companies (Indian Accounting Standard) Rules, 2015. There are no materially significant related party transactions made by the Company with its promoters and subsidiaries. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company.

REPORT ON CORPORATE GOVERNANCE - (Contd.)

- ii. There were neither non-compliance by the Company nor any penalties, strictures imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years except the fees/fine levied by Stock Exchanges against the Company for delay in appointment of Director/Woman Independent Director, under Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Company has paid the applicable fees/fine to stock exchanges during the year.
- iii. Whistle blower mechanism:
The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee.
- iv. There is no non-compliance of any of the Corporate Governance report as required under SEBI LODR.
- v. The necessary disclosures of compliance with Corporate Governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 of SEBI LODR are complied.
- vi. The Company complied with all mandatory requirements.
- vii. The Company had issued formal letters of appointment to Independent Directors in the manner as provided in the Companies Act, 2013. The terms and conditions of appointment are disclosed on the website of the Company. The Company has formulated a policy to familiarise the Independent Directors. The details of familiarization program imparted to Independent Directors are hosted on the website of the Company, www.nelcast.com. All Independent Directors of the Company shall be bound by duties of Independent Directors as set out in the Companies Act, 2013 read with the Schedules and Rules thereunder.
- viii. The Related Party Transaction Policy is posted on the website of the Company, www.nelcast.com.
- ix. The dividend distribution policy framed by the Company in accordance with the Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) and approved by the Board of Directors is available on the website of the Company weblink: <http://nelcast.com/policies/>
- x. The Company, on a periodical basis, reviews various policies framed under the Act and SEBI LODR and such other statutes, as applicable and amends them based on the requirement to ensure conformity with relevant regulatory changes and industry practices.
- xi. The Company has duly sent communication to shareholders in terms of SEBI circular dated 3rd November 2021 and it is being complied with the process of having a common and simplified norm for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and nomination.

REPORT ON CORPORATE GOVERNANCE - (Contd.)

xii. Commodity price risk or foreign exchange risk and hedging activities:

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The Company does not have any exposure hedged through Commodity derivatives.

xiii. Certificate from Practicing Company Secretary

The Company has received a certificate from the Practicing Company Secretary that none of the directors of the Company have been debarred or disqualified from being appointed as Director by SEBI/MCA/or any other statutory authority.

xiv. There was no instance of any non-acceptance by the Board of Directors of the recommendations of any Committee of the Board, where it is mandatorily required, during the financial year under review.

xv. Fees paid to Statutory Auditor on a consolidated basis:

During the year 2021-22, ₹15.00 Lakhs was paid by the Company and its subsidiary companies to the Statutory Auditors/entities in network firm/network entity of which the Statutory Auditors are a member.

xvi. Sexual Harassment at workplace:

During the year under review, the Company has not received any complaints in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

17. NON-MANDATORY DISCLOSURES

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

b. Publication of half yearly results:

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

c. The financial statements of the Company are unmodified.

d. Internal Auditor directly reports to the Audit Committee.

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

Nature of Dividend	Transferable to IEPF on	Amount as on 31.03.2022 in ₹
Final Dividend for FY 2014-15	04.09.2022	135,450
Interim Dividend for FY 2015-16	14.04.2023	54,098
Final Dividend for FY 2015-16	03.09.2023	56,936
Final Dividend for FY 2016-17	01.09.2024	236,198
Final Dividend for FY 2017-18	11.09.2025	243,125
Final Dividend for FY 2018-19	30.08.2026	178,425
Final Dividend for FY 2020-21	07.09.2028	37,609

REPORT ON CORPORATE GOVERNANCE - (Contd.)

19. CEO/CFO CERTIFICATION

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

20. COMPLIANCE CERTIFICATE OF THE AUDITORS ON CORPORATE GOVERNANCE

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

DECLARATION - CODE OF CONDUCT

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management personnel have affirmed compliance with the applicable Code of Conduct.

Place: Chennai
Date : 23rd May 2022

P. Deepak
Managing Director

REPORT ON CORPORATE GOVERNANCE - (Contd.)

**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF
CONDITIONS OF CORPORATE GOVERNANCE**

**To THE MEMBERS OF
NELCAST LIMITED**

We have examined the compliance of conditions of Corporate Governance by Nelcast Limited for the year ended 31st March 2022 stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchanges.

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

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

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

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

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn. No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

Place: Chennai

Date : 23rd May 2022

UDIN: 22024344AJLSBW2602

REPORT ON CORPORATE GOVERNANCE - (Contd.)

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

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

**To THE MEMBERS OF
NELCAST LIMITED**

We have reviewed the financial statements prepared based on the Indian Accounting Standards for the year ended 31st March 2022 and certify that:

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

P. Deepak
CEO & Managing Director

S.K. Sivakumar
Chief Financial Officer

Place : Chennai

Date : 23rd May 2022

MANAGEMENT DISCUSSION AND ANALYSIS

Macroeconomic Overview and Outlook

The global GDP increased by 6.1% in 2021 against a decline of 3.1% in 2020, according to IMF's World Economic Outlook report of April 2022. The first half of 2021 started with a sharp setback due to the delta variant, but the global recovery started to pick up pace thereafter. The progress was widely differentiated across countries given the access to vaccines and the size and durability of monetary policies and fiscal stimuli from the respective governments. Global growth lost its pace again in the second half of the year affected by another COVID-19 variant - Omicron, a mild but highly transmissible variant. This led to global supply chain and logistics disruptions. Despite this, the global trade revived in the second half and grew by 10.1% in 2021. To emphasise on the upturn, the global manufacturing improved as well, from 4.2% in 2020 to 9.4% in 2021, according to United Nations Industrial Development Organisation (UNIDO).

As the economy rebooted, the increased pent-up spending supported aggregate demand, however, continuing supply disruptions gave way to increased inflation in the US, Europe, and several emerging market economies. Emerging demand and supply bottlenecks led to a steep increase in commodity prices as well. Monetary and fiscal measures remained largely accommodative, however, inflation breaching the upper limit compelled a number of emerging and advanced economy central banks to tighten their monetary policy.

The global GDP is expected to grow by 3.6% in 2022, mainly impacted by the ongoing war, sanctions on Russia, rising inflation and lack of fiscal support from the government due to higher COVID-related spending in 2020-21.

India's real GDP grew by 8.9% in FY2022 against a decline of 6.6% in FY2021, as per Reserve Bank of India (RBI). The first half of FY2022 took a terrible toll with the second wave turning out to be the worst health crisis, India has ever encountered. However, the GDP started to bounce back thereafter, supported by monetary and liquidity initiatives by RBI and fiscal measures that ended up improving the financial conditions. The growth continued as we entered the second half, however, the geopolitical conflict and rising inflation have become major hurdles in the path to recovery.

Industry Structure and Developments

The automotive industry in India has been witnessing a slowdown over the last three years and 2021-22 was challenging due to the second wave of Covid & semiconductor shortage. The Medium and Heavy Commercial Vehicle industry was severely impacted in the first half of the year with strong recovery in the second half. The Tractor industry started strong but slowed down in the second half of the financial year.

Last year was very challenging for automotive industry due to the impact of COVID, supply chain disruptions, semiconductor shortage, coupled with rising input costs and diesel prices on the back of geopolitical crisis. Despite facing challenges, the Medium & Heavy Commercial Vehicle (M&HCV) segment sparkled in FY2022, reporting a growth of over 47% YoY. Rising truck utilization has been crucial in boosting freight rates that has resulted in increased demand for the truck segment. The first quarter was significantly impacted by the second-wave of COVID, however, volumes started to recover slowly in the second & third quarter matching the pre-pandemic levels. As we entered

MANAGEMENT DISCUSSION AND ANALYSIS - (Contd.)

the fourth quarter, we witnessed a complete turnaround with volumes picking up pace setting a very healthy platform for the industry to go back in a healthy growth cycle in the coming years. Subsequent to the introduction of BS-6 vehicle norms, which has set a very good ecosystem in the economy, the operators are now more confident of operating technologically advanced vehicles with lower emissions, longer life and good fuel efficiency. With all these factors in place, we believe that the commercial vehicle industry has a strong potential upside for growth in the current year.

The Indian tractor industry declined by 6% in volume terms in FY2021-22, after registering the highest ever annual production and domestic sales in the previous year. However, the industry achieved its highest ever export volumes during the year. The decline in domestic sales can be majorly attributed to high base effect of the previous fiscal. The increase in crop production and tractor sales resulted from favourable monsoon rains in the last two years. India has been expanding its tractor portfolio considerably, offering small horse-powered tractors to large capacity ones. Ever since the pandemic affected some crucial global markets, India has been capitalizing on the export opportunity and expanded to different continents with a better supply network. The Tractor industry expects a strong growth in the coming years on the back of augmented financial support to farmers through loans and subsidies, growth in agricultural productivity, tremendous potential to grow in the export market, government initiatives regarding rural development and farm mechanization along with various other factors, such as high rural wages and scarcity of farm labour, are likely to increase the tractor volume over the long term.

The ongoing scenario and challenges with respect to the geopolitical uncertainty, war and economic sanctions are expected to persist in the coming year as well. This will further impact input costs and rise inflation. Despite this, the fundamentals remain strong and long-term outlook remains positive for the Automotive Industry.

ABOUT NELCAST LIMITED

Incorporated in 1982, Nelcast Limited (“Nelcast” or “the Company”) is a leading producer of ductile & grey iron castings in India. Besides a strong position in the domestic market, the Company has a rapidly growing presence spread across North America, Europe and Southeast Asia as well with over 24% of its overall revenues generated from the export markets. The Company caters to a marquee clientele of Original Equipment Manufacturers (OEMs) and Tier-1 customers in Commercial Vehicle, Tractor, Off-Highway Equipment, Railways & Passenger Vehicle segments. Nelcast has an aggregate installed production capacity of 160,000 Metric tonnes per annum. Its factories are located at Ponneri in Tamil Nadu, and at Gudur and Pedapariya in Andhra Pradesh.

Segment wise Performance

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

MANAGEMENT DISCUSSION AND ANALYSIS - (Contd.)

Strengths

1. **Diversified customer base with strong relationships:** Nelcast has a distinguished customer base of over 40 customers that includes OEMs and Tier 1 companies. It serves as a strategic supplier and partner of first choice to TAFE, Tata Motors, DANA, Ashok Leyland, Automotive Axles Limited, Meritor and American Axles & Manufacturing, among others. The Company is a one-stop shop for its customers for Grey Iron, Ductile Iron and Austempered Ductile Iron ranging from 0.5 kg to 400 kg. Awards received over the past few years for categories like – ‘Best in Class Supplier’, ‘Best Delivery Performance’, ‘Platinum Award for Best Quality’, among others serve as a validation for its efforts to deliver value to its customers.
2. **Strategic Location:** Nelcast’s manufacturing plants are in close proximity (37-140 km) to Chennai, which is a major manufacturing hub for automotive companies. Chennai forms both a key customer base for Nelcast and a reliable source of steel scrap, a crucial raw material for the Company. All 3 plants are within 15-110 km of India’s largest source of Silica Sand near Gudur. Moreover, Chennai’s International airport with direct flights to Europe, Middle-East & Southeast/East Asia make it convenient for customers to visit and see the Company’s world class facilities first hand. The location also enhances Company’s export business given it is close to Krishnapatnam & Chennai seaports that gives Nelcast easy access to reach its customers around the world.
3. **Strong Export growth potential:** India is being viewed as a key cog in the global automotive supply chain. Sourcing machined castings from India is now becoming an attractive option for global customers. Nelcast is among the few companies in the industry capable of meeting the requirements of top global OEMs & Tier 1s. Currently, the Company exports machined castings to reputable corporates in North America, Europe and Southeast Asia. Revenue from exports has grown 6x in the last 5 years growing at a CAGR of 38% and stood at ₹221 Crores in FY2022.
 Moreover, we believe that the export opportunity has become even larger for us than it was before given the war situation and the current global scenario. Improvement in the semiconductor supply bottlenecks, rising energy prices in Europe and customers catching up on their order backlogs and labour shortage problem in North America is expected to make manufacturing of castings in India an extremely attractive option. So being the frontrunners, we expect this to give a huge boost to our export business. Additionally, our upcoming launches and global recovery affirms our belief that the export market is going to be a key growth driver for us in the coming years.
4. **Great product mix:** Nelcast has a very differentiated product portfolio. The Company specializes in manufacturing medium to high complexity products where it is able generate medium volumes and high margins. This helps the Company to compete against the local and Chinese suppliers, that mainly compete on low complexity products.
5. **Strong Business Foundation:** The Company has a healthy cash balance that stood at ₹ 61.35 Crores in FY2022. Furthermore, it has received an investment grade rating for short term (A1) and long term (A) fund from ICRA on the back of adequate liquidity, strong relationship with major OEMs and a diversified clientele. The Company has created an installed capacity for 160,000 Metric tonnes per year and can enhance the capacity further by 50,000 Metric tonnes within the existing manufacturing plants with minimal investment.

MANAGEMENT DISCUSSION AND ANALYSIS - (Contd.)

Opportunities And Threats

The Company supplies castings for Commercial Vehicles, Tractors, Off-Highway Vehicles and Railways. The Company enjoys the confidence from its valued customers for providing quality products. Therefore, as newer and more advanced castings are developed, the Company has an edge over the competition due to its diverse capabilities.

The company has made significant investments to increase capacity and is poised to take advantage from the growth from both the domestic automotive industry and the global market.

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

RISKS AND CONCERNS

Economy and Market Risk:

Economic recession gripped global economy following the lockdowns and surge in infections due to the Covid-19 pandemic was sudden and unexpected. While India is facing a tough battle with the second wave, a potential third wave or other complications could again impact both the domestic and global economy. External factors such as government policies and rainfall could have a significant impact on sales of Tractors and Commercial Vehicles, which are cyclical in nature. To mitigate the risk of seasonality & cyclicity in the domestic market, the Company has been developing its exports and products in other segments viz. off-highway, railways etc.

Input Cost Risk:

Our profitability and cost effectiveness may be affected due to change in the prices of raw materials, power, and other input costs. While we are typically able to pass on these costs to our customers with a slight lag, This risk is significant and is carefully monitored. We are working on increasing our captive power sources (primarily, wind and solar) to minimize our power cost and operate in an environmentally sustainable manner.

Currency Risk:

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

Interest Rate Risk:

The Company aims to judiciously managed the debt-equity ratio. It has been using a mix of debt and internal cash accruals. The company works closely with our banks to minimise the interest costs. The Company works to manage the working capital requirements to reduce the overall interest cost.

MANAGEMENT DISCUSSION AND ANALYSIS - (Contd.)

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

Internal Financial Control

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

OVERVIEW

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year, the Company recorded Revenue from Operations of ₹ 927.34 Crores as against ₹ 614.97 Crores in 2020-21, an increase of about 51%. Our Exports business registered a growth of 75% compared with previous year and stood at ₹ 221.48 Crores. Profit After Tax made during the year is ₹ 14.22 Crores as against ₹ 9.04 Crores in 2020-21, an increase of about 57%. The production during the year was 74,881 MT, compared to the previous year's 55,706 MT. During the year, the sales and profitability improved due to better market demand from both Commercial Vehicle & Tractor segment and increased exports.

KEY FINANCIAL RATIOS

Sl. No.	Particulars	2021-22	2020-21
(i)	Debtors Turnover Ratio (months)	2.64	2.72
(ii)	Inventory Turnover Ratio (months)	1.80	2.42
(iii)	Interest Coverage Ratio	1.74	1.71
(iv)	Current Ratio	1.41	1.39
(v)	Debt Equity Ratio	0.63	0.50

MANAGEMENT DISCUSSION AND ANALYSIS - (Contd.)

(vi)	Operating Profit Margin (%)	7.23	8.53
(vii)	Net Profit Margin (%)	1.54	1.48
(viii)	Return on Net Worth (%)	3.22	2.10

1. The improvement in Inventory Turnover Ratio is due to increase in sales.
2. The increase in debt-equity ratio is due to increase in borrowings.
3. The increase in Return on Net Worth is due to increase in profit.

HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT

Human Resource is a continuous and ever evolving function at our Company. The Company believes that human resources enable The Company to consistently meet customer requirements and deliver exceptional performance for all stakeholders. The Company continues to maintain its record on cordial industrial relations. The Company believes that human resources are its most valuable assets and is thus committed to the welfare of its employees and their families. The Company continues to invest in people through various initiatives viz. training programmes, upgradation of knowledge etc., which enable the work force to meet the challenges. As on 31st March 2022, the employee strength of the Company was 1121.

HEALTH, SAFETY AND ENVIRONMENT

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

CAUTIONARY STATEMENT

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

**STANDALONE
FINANCIAL STATEMENTS
2021-22**

AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of **M/s. Nelcast Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at 31st March 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in 'Annexure-A' a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

2. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
 In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity (intermediaries), with the understanding directly or indirectly lend or invest in other persons or entity's identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries;

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

- (b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (funding parties), with the understanding whether recorded in writing or otherwise, that the company shall directly or indirectly lend or invest in other persons or entity's identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
 - (c) Based on the audit procedures that have been considered that are reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As noted in Note 13 to the standalone financial statements
- (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
 - (b) The Company has not declared any interim dividend during the year.
 - (c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn. No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

Place : Chennai

Date : 23rd May 2022

UDIN: 22024344AJLXYY2179

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

ANNEXURE A REFERRED TO IN OUR INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THE COMPANY ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022, WE REPORT THAT:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment;
- (B) The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) The Company has a policy of physically verifying its Property, Plant and Equipment once in a year which in our opinion reasonable having regard to the size of the Company and the nature of its business. During the year Property, Plant and Equipment have been verified by the management at the year end and no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year.
- (e) There has been no proceeding initiated against the Company under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii. (a) According to information and explanations given to us, the management has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed on physical verification during the year.
- (b) During the year, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate from Banks on the basis of security of current assets and the monthly statements filed by the Company with such Banks are in agreement with the books of accounts.
- iii. (a) The Company has made investments in companies and not made any investment in firms, limited liability partnerships or any other parties and also not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year.
- (b) In our opinion, the investments made in companies during the year, prima facie, is not prejudicial to the interest of the Company.
 Since, the company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties, clauses 3iii(c),(d),(e) & (f) of the order is not applicable.
- iv. The Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees and security.
- v. The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at 31st March 2022 and therefore, the provisions of the clause 3 (v) of the Order is not applicable to the Company.

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

- vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government under Section 148(1) of the Act and are opinion that prima facie the prescribed accounts and cost records have been made and maintained.
- vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and any other statutory dues, as applicable, with the appropriate authorities and no dues were in arrears as at 31st March 2022 for a period of more than six months form the date they became payable.
- (b) According to the records of the Company and on the basis of information and explanations given to us, there are no dues of income-tax, sales-tax, service tax, duty of customs, goods and services tax and which have not been deposited on account of any disputes. However, according to information and explanations given to us, the following dues of value added tax have not been deposited by the Company on account of disputes:

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

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

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

- (b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year
- xi. (a) We have not noticed or reported any fraud by the Company or any fraud on the Company by its officers/ employees during the year.
(b) No report has been filed by the Auditors in form ADT-4 under section 143(12) of the Act, during the year.
(c) There were no whistle blower complaints received by the Company during the year.
- xii. Clause 3 (xii) of the Order is not applicable as the Company is not a Nidhi Company.
- xiii. According to information and explanations given to us, all transactions with the related parties are in compliance with the provisions of sections 177 and 188 of the Act, where ever applicable and the details have been disclosed in the standalone financial statements etc., as required by the applicable accounting standards.
- xiv. (a) The Company has in place an Internal Audit System commensurate with the size and nature of its business.
(b) We have considered the Internal Audit Reports submitted to us for the audit year.
- xv. According to information and explanations given to us, the Company has not entered in to any non-cash transactions with directors or persons connected with him, accordingly the provisions of clause 3(xv) of the Order is not applicable to the Company.
- xvi. Clause 3(xvi) of the Order is not applicable as the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- xvii. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xviii. During the year, there has been no resignation of statutory auditors.
- xix. on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. (a) During the year, the Company has spent the required amount specified in Schedule VII of the Act in respect of other than ongoing projects under CSR.
(b) The Company is not having any ongoing projects under CSR to spent and hence this clause is not applicable.
- xxi. There have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 (CARO) reports of the Companies included in the consolidated financial statements for the audit year.

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn. No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

Place : Chennai
Date : 23rd May 2022

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

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

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

We have audited the internal financial controls over financial reporting of **M/s. Nelcast Limited** ("the Company") as of 31st March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn. No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

Place : Chennai
Date : 23rd May 2022

STANDALONE BALANCE SHEET AS AT

PARTICULARS	Note No.	31 st March 2022 (₹ in Lakhs)	31 st March 2021 (₹ in Lakhs)
I. ASSETS			
A Non-Current Assets			
Property, Plant and Equipment	2(i)	44004.77	42736.37
Capital Work-in-Progress	-	60.88	153.19
Other Intangible Assets	2(ii)	55.63	56.79
Financial Assets:			
(i) Investments	3	3907.30	3903.02
Other Non-Current Assets	4	100.29	312.03
Total Non-Current Assets		48128.87	47161.40
B Current Assets			
Inventories	5	15872.72	11841.15
Financial Assets:			
(i) Trade Receivables	6	24034.52	16418.65
(ii) Cash and Cash Equivalents	7	6135.04	6497.86
(iii) Bank balances other than (ii) above	8	9.42	10.76
(iv) Other Financial Assets	9	1403.88	1320.39
Current Tax Assets (Net)	10	32.13	36.51
Other Current Assets	11	415.13	413.91
Total Current Assets		47902.84	36539.23
Total Assets		96031.71	83700.63
II. EQUITY AND LIABILITIES			
A Equity			
Equity Share Capital	12	1740.02	1740.02
Other Equity	13	42427.85	41269.46
Total Equity		44167.87	43009.48
B Liabilities			
1 Non-Current Liabilities			
Financial Liabilities:			
(i) Borrowings	14	13741.96	10746.55
Deferred Tax Liabilities (Net)	15	4094.12	3703.06
Total Non-Current Liabilities		17836.08	14449.61
2 Current Liabilities			
Financial Liabilities:			
(i) Borrowings	16	14211.58	10723.37
(ii) Trade Payables	17		
- Total outstanding dues of Micro & Small Enterprises		2018.67	1050.11
- Total outstanding dues of Otherthan Micro & Small Enterprises		16040.23	11746.19
(iii) Other Financial Liabilities	18	9.42	10.76
Other Current Liabilities	19	1560.54	2551.58
Provisions	20	187.32	159.53
Total Current Liabilities		34027.76	26241.54
Total Liabilities		51863.84	40691.15
Total Equity and Liabilities		96031.71	83700.63
Significant Accounting Policies	1		

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

As per our report of even date

For and on behalf of the Board

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

Place : Chennai

Date : 23rd May 2022

D. Sessa Reddy

Chairman
DIN: 00520448

A. Balasubramanian

Director
DIN: 00490921

P. Deepak

Managing Director
DIN: 02785326

S. K. Sivakumar

Chief Financial Officer &
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

PARTICULARS	Note No.	31 st March 2022 (₹in Lakhs)	31 st March 2021 (₹in Lakhs)
Income:			
I			
Revenue from Operations	21	92734.07	61497.17
II			
Other Income	22	940.28	487.96
III		93674.35	61985.13
IV			
Expenses:			
Cost of Materials Consumed	23	49272.61	27127.92
Changes in Inventories of Finished Goods & Work-in-Progress	24	-3928.63	1866.07
Employee Benefits Expense	25	5585.44	4527.01
Finance Costs	26	2582.36	1724.15
Depreciation & Amortisation Expense	27	2261.70	2174.21
Other Expenses	28	35995.88	23336.98
Total Expenses		91769.36	60756.34
V		1904.99	1228.79
Profit Before Exceptional Items and Tax (III-IV)			
VI		-	-
Exceptional Items			
VII		1904.99	1228.79
Profit before Tax (V-VI)			
VIII			
Tax Expenses:			
(1). Current Tax	29	61.16	-
(2). Deffered Tax		421.36	324.61
		482.52	324.61
IX		1422.47	904.18
Profit for the Period (VII-VIII)			
X			
Other Comprehensive Income			
A. (i) Items that will not be reclassified to Profit or Loss			
- Remeasurement of Defined Benefit Plans		120.38	-116.25
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-30.30	29.26
B. (i) Items that will be reclassified to Profit or Loss		-	-
(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-
Total Other Comprehensive Income, net of taxes		90.08	-86.99
XI		1332.39	991.17
Total Comprehensive Income for the period (IX-X)			
XII			
Earnings per Equity Share of ₹ 2/- each :			
(1). Basic	30	1.64	1.04
(2). Diluted		1.64	1.04
Significant Accounting Policies	1		

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

As per our report of even date

For and on behalf of the Board

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

D. Sessa Reddy

Chairman
DIN: 00520448

A. Balasubramanian

Director
DIN: 00490921

P. Deepak

Managing Director
DIN: 02785326

S. K. Sivakumar

Chief Financial Officer &
Company Secretary

Place : Chenani

Date : 23rd May 2022

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED

PARTICULARS	31 st March 2022 (₹ in Lakhs)	31 st March 2021 (₹ in Lakhs)
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	1904.99	1228.79
Adjustments for:		
Depreciation & Amortisation Expense	2261.70	2174.21
Interest Income	-297.70	-347.86
(Profit)/Loss on sale of assets	47.97	1.64
Interest Paid	2582.36	1724.15
Un-realised forex (Gain)/Loss	-302.99	-113.15
Remeasurement of Defined Benefit Plans	-120.38	116.25
Operating Profit before Working Capital Changes	6075.95	4784.03
Adjustment for:		
Inventories	-4031.57	973.20
Trade Receivables	-7404.01	-5074.72
Other Financial Assets	-83.49	-18.89
Current Tax Assets	4.38	-36.51
Other Current Assets	-1.22	-152.64
Other Non-Current Assets	211.74	-90.54
Trade Payables	5263.05	4733.46
Other Financial Liabilities	-392.89	2027.87
Other Current Liabilities	-900.36	1287.24
Provisions	27.79	-59.61
Current Tax Liabilities	-	-113.72
Cash generated from Operations	-1230.63	8259.17
Taxes Paid / Provision for Tax	-61.16	-
Cash flow before Prior-period Items	-1291.79	8259.17
Prior Period Items	-	-
Net Cash from Operating Activities	TOTAL A -1291.79	8259.17
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	-4116.64	-17287.77
Purchase of Other Intangible Assets	-17.46	-11.00
Sale of Property, Plant and Equipment	557.19	30.00
(Increase)/Decrease in Capital Work-In-Progress	92.31	15175.22
(Increase)/Decrease in Investments	-4.28	-14.73
(Increase)/Decrease in Unpaid Dividend A/cs	1.34	1.39
Interest Income	297.70	347.86
Net Cash from / (used in) in Investing Activities	TOTAL B -3189.84	-1759.03

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED

PARTICULARS	31 st March 2022 (₹ in Lakhs)	31 st March 2021 (₹ in Lakhs)
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Long-Term Borrowings	2995.41	-3354.26
Interest paid	-2582.36	-1724.15
Dividend Paid	-174.00	-
Net Cash from / (used in) Financing Activities TOTAL C	239.05	-5078.41
Net Increase / (Decrease) in Cash and Cash equivalents A+B+C	-4242.58	1421.73
Cash and Cash equivalents at the beginning of the year		
Cash and Bank Balances 6497.86		4793.17
Cash Credit Balance -7369.11	-871.25	-7086.15
Cash and Cash Equivalents at the end of the year		
Cash and Bank Balances 6135.04		6497.86
Cash Credit Balance -11248.87	-5113.83	-7369.11

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

As per our report of even date

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

D. Sessa Reddy

Chairman
DIN: 00520448

A. Balasubramanian

Director
DIN: 00490921

For and on behalf of the Board

P. Deepak

Managing Director
DIN: 02785326

S. K. Sivakumar

Chief Financial Officer &
Company Secretary

Place : Chennai

Date : 23rd May 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2022

I. Equity Share Capital	Note	No. of Shares	₹ in Lakhs		
Equity Shares of ₹ 2/- each issued, subscribed and fully paid up					
Balance as at 1 st April 2020	12	87001200	1740.02		
Changes in Equity Share Capital during the year		-	-		
Balance as at 31st March 2021	12	87001200	1740.02		
Changes in Equity Share Capital during the year		-	-		
Balance as at 31st March 2022	12	87001200	1740.02		
II. Other Equity					
	Note	Securities Premium Account	General Reserve	Retained Earnings	Total ₹ in Lakhs
Balance as at 1 st April 2020	13	8774.13	22500.00	9004.16	40278.29
Profit for the period		-	-	904.18	904.18
Other Comprehensive Income		-	-	86.99	86.99
Transfer (to) / from Reserves		-	-	-	-
Transactions with owners in their capacity as owners:					
Dividend paid		-	-	-	-
Balance as at 31st March 2021	13	8774.13	22500.00	9995.33	41269.46
Profit for the period		-	-	1422.47	1422.47
Other Comprehensive Income		-	-	-90.08	-90.08
Transfer (to) / from Reserves		-	-	-	-
Transactions with owners in their capacity as owners:					
Dividend paid		-	-	-174.00	-174.00
Balance as at 31st March 2022	13	8774.13	22500.00	11153.72	42427.85

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

As per our report of even date

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

Place : Chennai

Date : 23rd May 2022

For and on behalf of the Board

D. Sessa Reddy

Chairman
DIN: 00520448

A. Balasubramanian

Director
DIN: 00490921

P. Deepak

Managing Director
DIN: 02785326

S. K. Sivakumar

Chief Financial Officer &
Company Secretary

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

GENERAL INFORMATION

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

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

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

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

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

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

1.2 USE OF ESTIMATES

The preparation of the financial statements in conformity with the generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenue and expenses for the year and disclosure of contingent liabilities and contingent assets as of the date of Balance Sheet. The estimates and assumptions used in these financial statements are based on management’s evaluation of the relevant facts and circumstances as of the date of the financial statements. The actual amounts may differ from the estimates used in the preparation of the financial statements and the difference between actual results and the estimates are recognised in the period in which the results are known / materialise.

1.3 FAIR VALUE MEASUREMENT

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

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

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

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

Non-derivative Financial Instruments

(i) Financial assets carried at amortized cost

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

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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

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

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

(iv) Financial liabilities

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

Derivative Financial Instruments

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

1.4 PROPERTY, PLANT AND EQUIPMENT

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

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

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

1.5 INTANGIBLE ASSETS

Intangible assets are carried at cost less any accumulated amortization and accumulated impairment loss.

Costs incurred towards purchase of computer software are amortized using the straight line method over a period based on management's estimate of useful lives of such software or over the license period of the software, whichever is shorter.

1.6 IMPAIRMENT OF ASSETS

All assets other than Inventories and Investments are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount of those assets may not be fully recoverable, in such cases the carrying amount of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to the Statement of Profit and Loss.

If at the Balance sheet date there is an indication that the previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

1.7 INVESTMENTS

All Investments are carried at fair value. Investments, which at the inception, have been designated to be held for a long term capital appreciation, the changes in the fair value are considered through Other Comprehensive Income. All other investments are valued at fair value and the gains or losses being recognised in Statement of Profit and Loss.

1.8 INVENTORIES

Inventories are valued at the lower of cost and net realizable value.

Cost is ascertained on a moving weighted average basis. Cost includes cost of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

1.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1.10 LEASES

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Lease where the Lessor retains substantially all the risks and rewards incidental to the ownership is classified as an operating lease. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on straight-line basis over the lease term.

1.11 SEGMENT INFORMATION

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

1.12 CONTRIBUTED EQUITY

Equity Shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

1.13 DIVIDEND

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as liability on the date of declaration by the Board.

1.14 GOVERNMENT GRANTS AND SUBSIDIES

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

1.15 REVENUE RECOGNITION

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

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

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

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

1.16 FOREIGN CURRENCY TRANSACTION

Initial Recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition:

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All monetary assets and liabilities in foreign currency are restated at the end of the accounting period. Exchange differences on restatement of all monetary items are recognised in the Statement of Profit and Loss.

1.17 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale capitalized as part of the cost of an asset. Where specific borrowings are identified to assets, the Company uses the interest rates applicable to that specific borrowing as the capitalization rate. Where borrowings cannot be specifically identified to assets, the capitalization rate applied is the weighted average of the interest rates applicable to all borrowings of the Company.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

1.18 TAXES

Income tax expense comprises of current and deferred tax. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Indian Income Tax Act, 1961. The tax rate and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

1.19 EMPLOYEE BENEFITS

a. Defined Contribution Plans

- i) **Provident Fund:** The Company makes monthly Provident contributions at specified percentage of specified salary in accordance with the provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the contributions are charged to Statement of Profit and Loss.
- ii) **Superannuation Fund:** The Company makes annual Superannuation fund contributions to defined contribution plan, administered by the Life Insurance Corporation of India, for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of specified salary to fund the benefits. The contributions are charged to the Statement of Profit and Loss.

b. Defined Benefit Plan

Gratuity: The Company provides for Gratuity, a defined benefit retirement plan covering eligible employees as per the provisions of the Payment of Gratuity Act, 1972. The plan provides for a payment to vested employees at retirement, death while in employment or on termination of employment, an amount equivalent to fifteen days salary payable for each year of completed service subject to maximum amount as may be prescribed. Vesting occurs upon completion of five years of service, except in case of death while in employment in which case the legal heirs would receive the Gratuity.

The cost of providing benefits determined using the projected unit credit method, which actuarial valuation being carried out at each Balance Sheet date. The retirement benefit obligation recognised as expenditure represents the present value of defined benefit obligation as reduced by the fair value of scheme assets. The Company makes contribution to Life Insurance Corporation of India to administer the fund. The changes in the actuarial assumptions are accounted through Other Comprehensive Income.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

1.20 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. There are no diluted earnings per share as there are no dilutive potential equity shares.

1.21 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Current Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent Assets are neither recognised nor disclosed in the financial statements.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

2. PROPERTY, PLANT & EQUIPMENT AND OTHER INTANGIBLE ASSETS

Year ended 31st March 2022

(₹ in Lakhs)

Particulars	Gross Carrying Amount			Depreciation / Amortisation			Net Carrying Amount			
	As at 1 st April 2021	Additions	Disposals	As at 31 st March 2022	Upto 31 st March 2021	Charge during the year	Disposals	Upto 31 st March 2022	As at 31 st March 2022	As at 31 st March 2021
(i). Property, Plant & Equip.										
Freehold Land	3430.45	-	81.93	3348.52	-	-	-	-	3348.52	3430.45
Freehold Buildings	9850.69	434.24	733.84	9551.09	1449.76	429.32	641.14	1237.94	8313.15	8400.93
Plant and Equipment	36563.27	3653.96	2993.22	37234.01	5841.54	1765.61	2569.86	5037.29	32196.72	30721.73
Office Equipment	94.20	5.68	33.82	66.06	44.41	12.61	16.65	40.37	25.69	49.79
Vehicles	198.11	-	-	198.11	143.20	10.44	-	153.64	44.47	54.91
Furniture and Fittings	121.30	1.57	50.66	72.21	60.56	9.27	50.66	19.17	53.04	60.74
Computers	80.65	21.19	36.73	65.11	62.83	15.83	36.73	41.93	23.18	17.82
(ii). Other Intangible Assets										
Computer Software	50338.67	4116.64	3920.20	50535.11	7602.30	2243.08	3315.04	6530.34	44004.77	42736.37
	138.75	17.46	4.30	151.91	81.96	18.62	4.30	96.28	55.63	56.79
TOTAL	50477.42	4134.10	3924.50	50687.02	7684.26	2261.70	3319.34	6626.62	44060.40	42793.16

- Borrowing costs capitalized during the year for the assets held under Capital Work-in-progress is ₹ Nil (31st March 2021: ₹ 636.62 Lakhs)
- Details of security of property, plant and equipment subject to charge to secured borrowings is given in Note No. 32

Particulars	Amount in CWIP as at 31 st March 2022			
	< 1Y	1Y to 2Y	2Y to 3Y	> 3Y
i. projects in progress	60.88	-	-	-
ii. projects temporarily suspended	-	-	-	-
Total	60.88	-	-	60.88

Particulars	Amount in CWIP as at 31 st March 2021			
	< 1Y	1Y to 2Y	2Y to 3Y	> 3Y
i. projects in progress	153.19	-	-	-
ii. projects temporarily suspended	-	-	-	-
Total	153.19	-	-	153.19

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	31 st March 2022 (₹ in Lakhs)	31 st March 2021 (₹ in Lakhs)
3. INVESTMENTS		
Trade, Unquoted - At Cost - Fully Paid-Up		
Investment in Equity Instruments:		
Subsidiaries :		
- NC Energy Limited 3,86,00,000 (P.Y. 3,86,00,000) Equity shares of ₹ 10/- each	3860.00	3860.00
Others:		
- Suzlon Engitech Ltd 59,903 Equity shares of ₹ 10/- each	5.99	5.99
- OPG Power Generation Pvt Ltd 20,500 (P.Y. 17,600) Equity shares of ₹ 10/- each	2.34	2.01
- Watsun Infrabuild Pvt Ltd 3,50,200 (P.Y. 3,50,200) Equity shares of ₹ 10/- each	35.02	35.02
- Atria Wind Power Pvt Ltd 3,950 Equity shares of ₹ 100/- each	3.95	-
Total	3907.30	3903.02
4. OTHER NON-CURRENT ASSETS (Unsecured, Considered Good)		
Capital Advances	100.29	312.03
Total	100.29	312.03
5. INVENTORIES		
Raw Materials	3028.53	2962.03
Work-in-progress	4730.82	3984.24
Finished Goods	6052.82	2870.77
Stores and Spares	679.16	619.34
Loose Tools	1083.87	1202.44
Moulding Boxes & Patterns	297.52	202.33
Total	15872.72	11841.15
> Valued at lower of cost and net realisable value		

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	31 st March 2022 (₹ in Lakhs)	31 st March 2021 (₹ in Lakhs)				
6. TRADE RECEIVABLES						
Unsecured, Considered Good	24034.52	16418.65				
Total	24034.52	16418.65				
TRADE RECEIVABLES AGEING SCHEDULE	O/s for following periods from due date of payment as at 31st March 2022					
Particulars	< 6M	6M to 1Y	1Y to 2Y	2Y to 3Y	>3Y	Total
undisputed, considered good	1819.82	14.71	-	-	-	1834.53
TRADE RECEIVABLES AGEING SCHEDULE	O/s for following periods from due date of payment as at 31st March 2021					
Particulars	< 6M	6M to 1Y	1Y to 2Y	2Y to 3Y	>3Y	Total
undisputed, considered good	2385.28	18.11	-	-	-	2403.39
7. CASH AND CASH EQUIVALENTS						
Balances with Banks:						
- In Current Accounts	309.44	647.33				
- Fixed Deposits	5823.12	5846.36				
Cash on Hand	2.48	4.17				
Total	6135.04	6497.86				
8. BANK BALANCES OTHER THAN (7) ABOVE						
Unpaid Dividend Accounts	9.42	10.76				
Total	9.42	10.76				
9. OTHER FINANCIAL ASSETS						
Deposits with Govt. Authorities	1239.51	1151.39				
Accrued Interest on Deposits	56.18	110.40				
Export Incentives receivable / DEPB Balance	108.19	58.60				
Total	1403.88	1320.39				
10. CURRENT TAX ASSETS (NET)						
Tax Deducted at Source (net of provision)	32.13	36.51				
Total	32.13	36.51				
11. OTHER CURRENT ASSETS (Unsecured, Considered Good)						
Balances with Govt. / Statutory Authorities	45.13	7.46				
Prepaid Expenses	22.75	135.83				
Rental Advance	66.00	66.00				
Advances for Supplies & Services	275.20	199.45				
Advances given to Employees	6.05	5.17				
Total	415.13	413.91				

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

12. EQUITY SHARE CAPITAL	Number of Shares	₹ in Lakhs
Authorised:		
Equity Share of ₹ 2/- each		
As at 1st April 2020	125000000	2500.00
Increase during the year	-	-
As at 31st March 2021	125000000	2500.00
Increase during the year	-	-
As at 31st March 2022	125000000	2500.00
Issued, Subscribed and Paidup:		
Equity Share of ₹ 2/- each		
As at 1st April 2020	87001200	1740.02
Increase during the year	-	-
As at 31st March 2021	87001200	1740.02
Increase during the year	-	-
As at 31st March 2022	87001200	1740.02
Movements in Equity Share Capital:		
As at 1st April 2020	87001200	1740.02
As at 31st March 2021	87001200	1740.02
As at 31st March 2022	87001200	1740.02

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share.

Details of equity shareholders holding more than 5% :

Name of the shareholder	As at 31.03.2022		As at 31.03.2021	
	No. of shares	%	No. of shares	%
P. Deepak	34480000	39.63	34460000	39.61
P. Deepak (HUF)	14500000	16.67	14491763	16.66
P. Divya	16154249	18.57	16154249	18.57
	65134249	74.87	65106012	74.84

Details of equity shares held by Promoters :

Name of the shareholder	As at 31.03.2022		% change during the year
	No. of shares	%	
P. Deepak	34480000	39.63	0.02
P. Deepak (HUF)	14500000	16.67	0.01
P. Divya	16154249	18.57	0.00
	65134249	74.87	0.03

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	31 st March 2022 (₹ in Lakhs)	31 st March 2021 (₹ in Lakhs)
13. OTHER EQUITY		
Securities Premium Account	8774.13	8774.13
General Reserve	22500.00	22500.00
Retained Earnings	11153.72	9995.33
Total Reserves and Surplus	42427.85	41269.46
Securities Premium Account		
Opening Balance	8774.13	8774.13
Additions during the year	-	-
(Deductions) / (Adjustments) during the year	-	-
Closing Balance	8774.13	8774.13
General Reserve		
Opening Balance	22500.00	22500.00
Additions during the year	-	-
(Deductions) / (Adjustments) during the year	-	-
Closing Balance	22500.00	22500.00
Retained Earnings		
Opening Balance	9995.33	9004.16
Total Comprehensive Income for the period	1332.39	991.17
Amount available for Appropriation	11327.72	9995.33
Appropriations:		
- Dividend on Equity Shares	174.00	-
Closing Balance	11153.72	9995.33
14. BORROWINGS		
Term Loan from Banks (Refer Note No.32)	13741.96	10746.55
Total	13741.96	10746.55
15. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability :		
- Property, Plant and Equipment and Other Intangible Assets	4193.10	3894.72
Deferred Tax Asset :		
- Employee benefits	-98.98	-65.00
- Unused tax losses	-	-126.66
Total	4094.12	3703.06

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	31 st March 2022 (₹ in Lakhs)	31 st March 2021 (₹ in Lakhs)			
16. BORROWINGS					
Secured Loans Repayable on Demand to Banks:					
- Working Capital Loans (Refer Note No.32)	11248.87	7369.11			
Current Maturities of Long-Term Debt:					
- Term Loans from Banks (Refer Note No.32)	2962.71	3354.26			
Total	14211.58	10723.37			
17. TRADE PAYABLES					
Trade Payables:					
Total outstanding dues of Micro and Small Enterprises (Refer Note No.37)	2018.67	1050.11			
Total outstanding dues of creditors other than Micro and Small Enterprises	16040.23	11746.19			
Total	18058.90	12796.30			
TRADE PAYABLES AGEING SCHEDULE	O/s for following periods from due date of payment as at 31st March 2022				
Particulars	<1Y	1Y to 2Y	2Y to 3Y	>3Y	Total
i. undisputed, Micro & Small Enterprises	-	-	-	-	-
ii. undisputed, Others	687.36	-	-	-	687.36
TRADE PAYABLES AGEING SCHEDULE	O/s for following periods from due date of payment as at 31st March 2021				
Particulars	<1Y	1Y to 2Y	2Y to 3Y	>3Y	Total
i. undisputed, Micro & Small Enterprises	-	-	-	-	-
ii. undisputed, Others	141.44	34.58	-	-	176.02
18. OTHER FINANCIAL LIABILITIES					
Unpaid Dividends	9.42	10.76			
Total	9.42	10.76			
19. OTHER CURRENT LIABILITIES					
Statutory Dues	650.45	881.28			
Advances received from Customers	271.50	323.73			
Outstanding Expenses	638.59	1346.57			
Total	1560.54	2551.58			
20. PROVISIONS					
Provision for Employee Benefits:					
- Gratuity	13.33	-			
- Bonus	173.99	159.53			
Total	187.32	159.53			

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	31 st March 2022 (₹ in Lakhs)	31 st March 2021 (₹ in Lakhs)
21. REVENUE FROM OPERATIONS		
Sale of Products	92089.95	61095.87
Export Incentives	644.12	401.30
Total	92734.07	61497.17
22. OTHER INCOME		
Interest Income	297.70	347.86
Gain on Foreign Currency Transaction (Net)	642.58	118.13
Insurance claim received	-	21.97
Total	940.28	487.96
23. COST OF MATERIALS CONSUMED		
Raw Materials at the beginning of the year	2962.03	2220.18
Add: Purchases	49339.11	27869.77
(Less): Raw Materials at the end of the year	-3028.53	-2962.03
Cost of Materials Consumed	49272.61	27127.92
24. CHANGES IN INVENTORIES OF FINISHED GOODS (FG) & WORK-IN-PROGRESS (WIP)		
Closing Stock		
Finished Goods	6052.82	2870.77
Work-in-Progress	4730.82	3984.24
	10783.64	6855.01
Opening Stock		
Finished Goods	2870.77	5351.94
Work-in-Progress	3984.24	3369.14
	6855.01	8721.08
Changes in Inventories of FG & WIP	-3928.63	1866.07
25. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	4773.86	3884.03
Contribution to Provident and Other Funds	429.26	360.63
Staff Welfare Expenses	382.32	282.35
Total	5585.44	4527.01
26. FINANCE COSTS		
Interest Expense	2053.35	1370.08
Other Borrowing Costs	529.01	354.07
Total	2582.36	1724.15

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	31 st March 2022 (₹ in Lakhs)	31 st March 2021 (₹ in Lakhs)
27. DEPRECIATION & AMORTISATION EXPENSE		
Property, Plant and Equipment	2243.08	2156.61
Other Intangible Assets	18.62	17.60
Total	2261.70	2174.21
28. OTHER EXPENSES		
Consumption of Stores and Spares	3338.28	2190.42
Fettling and Other Manufacturing Expenses	13764.26	8724.13
Power and Fuel	10263.48	7304.47
Freight and Forwarding Charges	4754.47	2355.28
Repairs and Maintenance:		
- Plant and Machinery	1781.58	1083.82
- Buildings	131.68	73.87
Rent	147.75	144.29
Insurance	132.00	124.62
Rates and taxes	32.42	28.98
Printing and Stationery	32.26	24.68
Travelling and Conveyance	230.70	163.15
CSR Expenses (Refer Note No. 33)	68.85	98.32
Advertisement	2.25	2.40
Legal and Professional Charges	106.76	105.04
Communication Charges	20.01	18.98
Payment to Auditors:		
- Audit Fee	15.00	13.00
- Tax Audit Fee	2.00	2.00
Sitting Fee to Directors	17.40	10.00
Books, Periodicals & Subscriptions	8.39	8.93
Vehicle and Office Maintenance	127.91	94.30
Selling Expenses	964.48	760.30
Loss on Assets Sold/Scrapped (Net)	47.97	1.64
Miscellaneous Expenses	5.98	4.36
Total	35995.88	23336.98

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

29. TAX EXPENSES

The major components of Income Tax are given below:

(₹ in Lakhs)

Particulars	31 st March 2022	31 st March 2021
Profit or Loss:		
Current Tax:		
Current Income Tax Charge	61.16	-
Adjustment of current tax of previous year	-	-
Total	61.16	-
Deferred Tax:		
Relating to the origination and reversal of temporary differences	421.36	324.61
Income tax expense reported in the Statement of Profit and Loss	482.52	324.61

Other Comprehensive Income:		
Current Tax:		
Tax related to items recognised in other comprehensive income during the year:		
Remeasurement of Defined Benefit Plans	-30.30	29.26
Income tax charged to Other Comprehensive Income	-30.30	29.26

Reconciliation of tax expense and the accounting profit multiplied by India's Domestic Tax rate for 31st March 2022 and 31st March 2021:

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the standard rate of company tax in India as follows:

(₹ in Lakhs)

Particulars	31 st March 2022	31 st March 2021
Accounting Profit before income tax	1904.99	1228.79
Enacted tax rate in India*	25.168%	25.168%
Profit before income tax multiplied by enacted tax rate	479.45	309.26
Effects of:		
Allowances under Income Tax Act	-491.48	-501.18
Disallowances under Income Tax Act	73.19	65.27
Adjustment of current tax of previous year	-	-
Net effective Income Tax	61.16	-

*on Capital Gains it is 22.88%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

30. EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity Shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity Shares outstanding during the year plus the weighted average number of Equity Shares that would be issued on conversion of all the dilutive potential Equity Shares in to Equity Shares.

The Basic and Diluted EPS calculations are given below:

Particulars	31 st March 2022	31 st March 2021
Profit after tax (₹ in Lakhs)	1422.47	904.18
Weighted average number of shares in Lakhs		
- Basic	870.01	870.01
- Diluted	870.01	870.01
Earnings per share of ₹ 2/- each		
- Basic	1.64	1.04
- Diluted	1.64	1.04

31. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined employee benefit plans (Gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about defined benefit gratuity plan are given in Note No. 39.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model.

- 32.** (i) Term Loans from Banks are secured by equitable mortgage of land, building and hypothecation of plant and machinery present and future. Working Capital Loans repayable on demand is fully secured by hypothecation of raw materials, stocks in process, finished goods, stores, book debts and second charge on Plant & Equipment situated at Gudur Plant.
- (ii) Terms of Repayment

Loan Description	Repayment Terms
Term Loan - Banks	Quarterly Installment

33. DETAILS OF CSR EXPENDITURE

(₹ in Lakhs)

Particulars	31 st March 2022	31 st March 2021
i. amount required to be spent by the Company during the year	67.21	97.04
ii. amount of expenditure incurred	68.85	98.32
iii. shortfall at the end of the year	-	-
iv. total of previous years shortfall	-	-
v. reason for shortfall	-	-
vi. nature of CSR activities	Healthcare, Vocational Training, Community Development and Promotion of Rural Sports	Healthcare, Vocational Training, Community Development and Literacy
vii. details of related party transactions (e.g., contribution to trust controlled by Company)	Nil	Nil
viii. where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

34. COMMITMENTS

(₹ in Lakhs)

Particulars	31 st March 2022	31 st March 2021
Estimated amount of contracts remaining to be executed and not provided for in these accounts (net of advances) in respect of acquisition of assets.	314.09	1526.07

35. CONTINGENT LIABILITIES

Particulars	31 st March 2022	31 st March 2021
Bank Guarantees	80.00	86.05
Claims against the company not acknowledged as debts primarily towards (net of amount paid to statutory authorities): - sales tax	17.11	17.11

Claims against the company not acknowledged as debts represent demands raised by sales tax authorities, as reduced by the amounts paid by the company. Against these demands the company has already filed appeals with concerned appellate authorities. As per the experts' opinion these disputed matters are likely to be decided in company's favour and as such the management believes the ultimate outcome of the proceedings will not have a material adverse effect on the company's financial position and results of operations.

36. SEGMENT REPORTING UNDER IND AS 108

The Company operates in a single primary business segment namely Manufacture of Iron Castings. The following are the information relating to geographical segment:

(₹ in Lakhs)

Year ended	India	Others	Total
31 st March 2022	69941.92	22148.03	92089.95
31 st March 2021	48467.25	12628.62	61095.87

Out of the above said revenue two customers represent more than 10% of the gross revenue and in total contribute 29.08% of the gross revenue.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

- 37.** The information regarding Micro and Small Enterprises which is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Company. The amount of principal and interest outstanding is given below:

(₹ in Lakhs)

Particulars	31 st March 2022	31 st March 2021
i. The principal amount (2021-22: 2018.67, 2020-21: 1050.11) and the interest due (2021-22: Nil, 2020-21: Nil) thereon remain unpaid to suppliers at the end of each accounting year.	2018.67	1050.11
ii. The amount of interest paid by the buyer as per section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure.	-	-

38. LEASES

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company has only short term leases.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

39. EMPLOYEE BENEFITS

- (i) The Company provides Gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous services for a period of five years are eligible for Gratuity. The amount of Gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for fifteen days' salary multiplied for the number of years of service. The Gratuity plan is a funded plan and maintained with Life Insurance Corporation of India.

(₹ in Lakhs)

Particulars	Present Value of Obligation	Fair Value of Plan Assets	Total
1st April 2020	915.76	-862.70	53.06
Current Service Cost	67.64	-	67.64
Past Service Cost	-	-	-
Interest Expense / (Income)	66.39	-68.71	-2.32
Total amount recognised in Statement of Profit and Loss	134.03	-68.71	65.32
Re-measurements			
- Return on plan assets, excluding amounts included in interest expense / (Income)	-	-	-
- (Gain)/Loss from change in demographic assumptions	-116.25	-	-116.25
- (Gain)/Loss from change in financial assumptions	-	-	-
- Experience (Gains)/Losses	-	-	-
- Changes in asset ceiling excluding amounts included in interest expense	-	-	-
Total amount recognised in other comprehensive income	-116.25	-	-116.25
- Employer Contributions	-	-116.87	-116.87
- Benefit Payments	-69.61	69.61	-
31st March 2021	863.93	-978.67	-114.74

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	Present Value of Obligation	Fair Value of Plan Assets	Total
1st April 2021	863.93	-978.67	-114.74
Current Service Cost	65.94	-	65.94
Past Service Cost	-	-	-
Interest Expense / (Income)	60.47	-73.42	-12.95
Total amount recognised in Statement of Profit and Loss	126.41	-73.42	52.99
Re-measurements			
- Return on plan assets, excluding amounts included in interest expense / (Income)	-	-	-
- (Gain)/Loss from change in demographic assumptions	120.38	-	120.38
- (Gain)/Loss from change in financial assumptions	-	-	-
- Experience (Gains)/Losses	-	-	-
- Changes in asset ceiling excluding amounts included in interest expense	-	-	-
Total amount recognised in other comprehensive income	120.38	-	120.38
- Employer Contributions	-	-45.30	-45.30
- Benefit Payments	-33.73	33.73	-
31st March 2022	1076.99	-1063.66	13.33

(ii) The Net Liability/ (Asset) disclosed above relates to funded and unfunded plans as follows:
(₹ in Lakhs)

Particulars	31 st March 2022	31 st March 2021
Present value of funded obligations	1076.99	863.93
Fair value of plan assets	-1063.66	-978.67
Deficit/(Excess) of Funded Plan	13.33	-114.74
Unfunded plans	-	-
Deficit/(Excess) of Gratuity Plan	13.33	-114.74

(iii) Significant Estimates: Actuarial assumptions and sensitivity

Particulars	31 st March 2022	31 st March 2021
Discount Rate	7.00%	7.00%
Expected return on Plan Assets	7.50%	7.50%
Salary Growth Rate	7.00%	7.00%
Attrition Rate (depend on age)	1% to 3%	1% to 3%

40. FAIR VALUES

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, management has assessed the fair value of the borrowings approximate their current value largely since they are carried at floating rate of interest.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

41. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise borrowings, trade and other payable. The main purpose of these financial liabilities is to finance the Company operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents derived directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk (including input cost risk, interest rate risk and foreign currency risk), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company. The Company does not enter into or trade financial instruments for speculative purposes.

a. Credit Risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, loans and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

b. Liquidity Risk:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

c. Market Risk:

Economic recession gripped global economy following the lockdowns and surge in infections due to the Covid-19 pandemic was sudden and unexpected. While India is facing a tough battle with the second wave, a potential third wave or other complications could again impact both the domestic and global economy. External factors such as government policies and rainfall could have a significant impact on sales of Tractors and Commercial Vehicles, which are cyclical in nature. To mitigate the risk of seasonality & cyclicity in the domestic market, the Company has been developing its exports and products in other segments viz. off-highway, railways etc.

Input Cost Risk:

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

Interest Rate Risk:

The Company aims to judiciously managed the debt-equity ratio. It has been using a mix of debt and internal cash accruals. The company works closely with our banks to minimise the interest costs. The Company works to manage the working capital requirements to reduce the overall interest cost.

Foreign Currency Risk:

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

Unhedged foreign Currency

The Company's unhedged foreign currency exposure is as follows :

(₹ in Lakhs)		
Particulars	31 st March 2022	31 st March 2021
FCY Receivables	12395.41	6369.09
Hedged	4220.66	697.93
Un-hedged	8174.75	5671.16

(₹ in Lakhs)		
Particulars	31 st March 2022	31 st March 2021
FCY Payables	6277.13	6742.68
Hedged	5986.18	6338.31
Un-hedged	290.95	404.37

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

43. RATIOS

Particulars	Formula	2021-22	2020-21	Change
Current Ratio	Current Assets / Current Liabilities	1.41	1.39	1.44%
Debt Equity Ratio ¹	Debt / Equity	0.63	0.50	26.00%
Debt Service Coverage Ratio ¹	Earnings available for debt service / Total Interest and principal repayment	1.06	1.58	-32.91%
Return on Equity Ratio ²	Net Profit after Tax / Average Shareholder's Equity	0.03	0.02	50.00%
Inventory Turnover Ratio ³	Sales / Average Inventory	6.65	4.96	34.07%
Trade Receivables Turnover Ratio	Sales / Average Trade Receivables	4.55	4.41	3.17%
Trade Payables Turnover Ratio	Purchases / Average Trade Payables	4.84	4.64	4.31%
Net Capital Turnover Ratio	Net Sales / Working Capital	6.64	5.93	11.97%
Net Profit Ratio (%)	Net Profit after Tax / Net Sales	1.54%	1.48%	4.05%
Return on Capital Employed (%) ²	Earnings before Interest and Taxes / Capital Employed	5.89%	4.33%	36.03%

The company earns a return on investments ranging from 3% to 6.75% pa. on fixed deposits.

¹ Due to increased borrowings

² Due to increased earnings

³ Due to increased sales

44. RELATED PARTY DISCLOSURE

Related parties under Ind AS 24 with whom transactions have taken place during the year:

Subsidiary Company: NC Energy Limited

Key Management Personnel (KMP):

1. Mr. P. Deepak, Managing Director
2. Mr. S.K. Sivakumar, Chief Financial Officer & Company Secretary

Relatives / Enterprises related to Key Management Personnel (KMP):

1. Mrs. P. Jamuna
2. Mrs. S. Vijayalakshmi
3. M/s. MIC USA LLC
4. M/s. Lashi Exports Ltd.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

a) Transactions with related parties (2021-22) (₹ in Lakhs)

Nature of Transactions	Subsidiary Company	KMP	Relatives to KMP	Enterprises related to KMP
Remuneration	-	264.49	-	-
Rental Payments	-	-	147.23	-
Other Payments	-	-	-	410.99
Other Receipts	-	-	-	-222.81
Investment in Shares:				
Amount of investment during the year	-	-	-	-
Closing Balance as on 31.03.2022	3860.00	-	-	-

b) Transactions with related parties (2020-21) (₹ in Lakhs)

Nature of Transactions	Subsidiary Company	KMP	Relatives to KMP	Enterprises related to KMP
Remuneration	-	223.23	-	-
Rental Payments	-	-	146.73	-
Other Payments	-	-	-	234.60
Investment in Shares:				
Amount of investment during the year	-	-	-	-
Closing Balance as on 31.03.2021	3860.00	-	-	-

45. Previous year's figures have been regrouped and reclassified wherever necessary to conform to this year's classification.

As per our report of even date

For and on behalf of the Board

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

D. Sesha Reddy

Chairman
DIN: 00520448

A. Balasubramanian

Director
DIN: 00490921

P. Deepak

Managing Director
DIN: 02785326

S. K. Sivakumar

Chief Financial Officer &
Company Secretary

Place : Chennai
Date : 23rd May 2022

**CONSOLIDATED
FINANCIAL STATEMENTS
2021-22**

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **M/s.Nelcast Limited** (“the Holding Company”) and its subsidiary (the Holding Company and its subsidiary together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at 31st March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the consolidated state of affairs of the Group as at 31st March 2022, consolidated profit and consolidated total comprehensive income, consolidated changes in equity and the consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Management’s Responsibility for the Consolidated Financial Statements

The Holding Company’s Board of Directors is responsible for the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records for safeguarding the assets of the

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

Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent auditors.
- Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

Other Matters

We did not audit the financial statements / financial information of subsidiary, whose financial statements / financial information reflect total assets of ₹ 4131.21 Lakhs as at 31st March 2022, total comprehensive income of ₹ Nil and net cash flows amounting to ₹ -1.25 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information has been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of Sections 143(3) and 143(11) of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn. No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

Place : Chennai

Date : 23rd May 2022

UDIN : 22024344AJLYCM9702

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

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2022, we have audited the internal financial controls over financial reporting of **M/s. Nelcast Limited** ("the Holding Company") and its subsidiary Company, which is incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary Company, which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Holding Company, its subsidiary Company, which is incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary Company which is incorporated in India, is based on the corresponding reports of the auditors of such Company incorporated in India.

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn. No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

Place : Chennai
Date : 23rd May 2022

CONSOLIDATED BALANCE SHEET AS AT

PARTICULARS	Note No.	31 st March 2022 (₹in Lakhs)	31 st March 2021 (₹in Lakhs)
I. ASSETS			
A Non-Current Assets			
Property, Plant and Equipment	2(i)	46685.94	45417.54
Capital Work-in-Progress	-	1301.47	1393.18
Other Intangible Assets	2(ii)	55.63	56.79
Financial Assets:			
(i) Investments	3	47.30	43.02
Other Non-Current Assets	4	305.29	517.03
Total Non-Current Assets		48395.63	47427.56
B Current Assets			
Inventories	5	15872.72	11841.15
Financial Assets:			
(i) Trade Receivables	6	24034.52	16418.65
(ii) Cash and Cash Equivalents	7	6139.49	6503.56
(iii) Bank balances other than (ii) above	8	9.42	10.76
(iv) Other Financial Assets	9	1403.88	1320.39
Current Tax Assets (Net)	10	32.13	36.51
Other Current Assets	11	415.13	413.91
Total Current Assets		47907.29	36544.93
Total Assets		96302.92	83972.49
II. EQUITY AND LIABILITIES			
A Equity			
Equity Share Capital	12	1740.02	1740.02
Other Equity	13	42427.85	41269.46
Non-Controlling Interest	-	271.00	271.00
Total Equity		44438.87	43280.48
B Liabilities			
1 Non-Current Liabilities			
Financial Liabilities:			
(i) Borrowings	14	13741.96	10746.55
Deferred Tax Liabilities (Net)	15	4094.12	3703.06
Total Non-Current Liabilities		17836.08	14449.61
2 Current Liabilities			
Financial Liabilities:			
(i) Borrowings	16	14211.58	10723.37
(ii) Trade Payables	17		
- Total outstanding dues of Micro & Small Enterprises		2018.67	1050.11
- Total outstanding dues of Otherthan Micro & Small Enterprises		16040.23	11746.19
(iii) Other Financial Liabilities	18	9.42	10.76
Other Current Liabilities	19	1560.75	2552.44
Provisions	20	187.32	159.53
Total Current Liabilities		34027.97	26242.40
Total Liabilities		51864.05	40692.01
Total Equity and Liabilities		96302.92	83972.49
Significant Accounting Policies	1		

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

As per our report of even date

For and on behalf of the Board

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

D. Sessa Reddy

Chairman
DIN: 00520448

A. Balasubramanian

Director
DIN: 00490921

P. Deepak

Managing Director
DIN: 02785326

S. K. Sivakumar

Chief Financial Officer &
Company Secretary

Place : Chennai
Date : 23rd May 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

PARTICULARS	Note No.	31 st March 2022 (₹ in Lakhs)	31 st March 2021 (₹ in Lakhs)
Income:			
I Revenue from Operations	21	92734.07	61497.17
II Other Income	22	940.28	487.96
III Total Income (I+II)		93674.35	61985.13
Expenses:			
IV Cost of Materials Consumed	23	49272.61	27127.92
Changes in Inventories of Finished Goods & Work-in-Progress	24	-3928.63	1866.07
Employee Benefits Expense	25	5585.44	4527.01
Finance Costs	26	2582.36	1724.15
Depreciation & Amortisation Expense	27	2261.70	2174.21
Other Expenses	28	35995.88	23336.98
Total Expenses		91769.36	60756.34
V Profit Before Exceptional Items and Tax (III-IV)		1904.99	1228.79
VI Exceptional Items		-	-
VII Profit before Tax (V-VI)		1904.99	1228.79
Tax Expenses:			
VIII (1). Current Tax	29	61.16	-
(2). Deffered Tax		421.36	324.61
		482.52	324.61
IX Profit for the Period (VII-VIII)		1422.47	904.18
Other Comprehensive Income			
X A. (i) Items that will not be reclassified to Profit or Loss			
- Remeasurement of Defined Benefit Plans		120.38	-116.25
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-30.30	29.26
B. (i) Items that will be reclassified to Profit or Loss		-	-
(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-
Total Other Comprehensive Income, net of taxes		90.08	-86.99
XI Total Comprehensive Income for the period (IX-X)		1332.39	991.17
Earnings per Equity Share :			
XII (1). Basic	30	1.64	1.04
(2). Diluted		1.64	1.04
Significant Accounting Policies	1		

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

As per our report of even date

For and on behalf of the Board

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn No. 002270S

K. NAGARAJU

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Managing Director
DIN: 02785326

S. K. Sivakumar

Chief Financial Officer &
Company Secretary

Place : Chennai

Date : 23rd May 2022

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

PARTICULARS	31 st March 2022 (₹ in Lakhs)	31 st March 2021 (₹ in Lakhs)
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	1904.99	1228.79
Adjustments for:		
Depreciation & Amortisation Expense	2261.70	2174.21
Interest Income	-297.70	-347.86
(Profit)/Loss on sale of assets	47.97	1.64
Interest Paid	2582.36	1724.15
Un-realised forex (Gain)/Loss	-302.99	-113.15
Remeasurement of Defined Benefit Plans	-120.38	116.25
	4170.96	3555.24
Operating Profit before Working Capital Changes	6075.95	4784.03
Adjustment for:		
Inventories	-4031.57	973.20
Trade Receivables	-7404.01	-5074.72
Other Financial Assets	-83.49	-18.89
Current Tax Assets	4.38	-36.51
Other Current Assets	-1.22	-152.64
Other Non-Current Assets	211.74	-90.54
Trade Payables	5263.05	4733.46
Other Financial Liabilities	-392.89	2027.87
Other Current Liabilities	-901.01	1287.29
Provisions	27.79	-59.61
Current Tax Liabilities	-	-113.72
	-7307.23	3475.19
Cash generated from Operations	-1231.28	8259.22
Taxes Paid / Provision for Tax	-61.16	-
Cash flow before Prior-period Items	-1292.44	8259.22
Prior Period Items	-	-
Net Cash from Operating Activities	TOTAL A -1292.44	8259.22
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	-4116.64	-17287.77
Purchase of Other Intangible Assets	-17.46	-11.00
Sale of Property, Plant and Equipment	557.19	30.00
(Increase)/Decrease in Capital Work-In-Progress	91.71	15174.10
(Increase)/Decrease in Investments	-4.28	-14.73
(Increase)/Decrease in Unpaid Dividend A/cs	1.34	1.39
Interest Income	297.70	347.86
Net Cash from / (used in) in Investing Activities	TOTAL B -3190.44	-1760.15

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

PARTICULARS	31 st March 2022 (₹in Lakhs)	31 st March 2021 (₹in Lakhs)
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Long-Term Borrowings	2995.41	-3354.26
Interest paid	-2582.36	-1724.15
Dividend Paid	-174.00	-
Net Cash from / (used in) Financing Activities	239.05	-5078.41
Net Increase in Cash and Cash equivalents	A+B+C	1420.66
Cash and Cash equivalents at the beginning of the year		
Cash and Bank Balances	6503.56	4799.94
Cash Credit Balance	-7369.11	-7086.15
Cash and Cash Equivalents at the end of the year		
Cash and Bank Balances	6139.49	6503.56
Cash Credit Balance	-11248.87	-7369.11
	-5109.38	-865.55

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

As per our report of even date

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

D. Sessa Reddy

Chairman
DIN: 00520448

A. Balasubramanian

Director
DIN: 00490921

For and on behalf of the Board

P. Deepak

Managing Director
DIN: 02785326

S. K. Sivakumar

Chief Financial Officer &
Company Secretary

Place : Chennai

Date : 23rd May 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

I. Equity Share Capital	Note	No. of Shares	₹ in Lakhs		
Equity Shares of ₹ 2/- each issued, subscribed and fully paid up					
Balance as at 1 st April 2020	12	87001200	1740.02		
Changes in Equity Share Capital during the year		-	-		
Balance as at 31st March 2021	12	87001200	1740.02		
Changes in Equity Share Capital during the year		-	-		
Balance as at 31st March 2022	12	87001200	1740.02		
II. Other Equity					
	Note	Securities Premium Account	General Reserve	Retained Earnings	Total ₹ in Lakhs
Balance as at 1 st April 2020	13	8774.13	22500.00	9004.16	40278.29
Profit for the period		-	-	904.18	904.18
Other Comprehensive Income		-	-	86.99	86.99
Transfer (to) / from Reserves		-	-	-	-
Transactions with owners in their capacity as owners:					
Dividend paid		-	-	-	-
Balance as at 31st March 2021	13	8774.13	22500.00	9995.33	41269.46
Profit for the period		-	-	1422.47	1422.47
Other Comprehensive Income		-	-	-90.08	-90.08
Transfer (to) / from Reserves		-	-	-	-
Transactions with owners in their capacity as owners:					
Dividend paid		-	-	-174.00	-174.00
Balance as at 31st March 2022	13	8774.13	22500.00	11153.72	42427.85

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

As per our report of even date

For and on behalf of the Board

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

D. Sessa Reddy

Chairman
DIN: 00520448

A. Balasubramanian

Director
DIN: 00490921

P. Deepak

Managing Director
DIN: 02785326

S. K. Sivakumar

Chief Financial Officer &
Company Secretary

Place : Chennai

Date : 23rd May 2022

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

Nelcast Limited (“the Holding Company”) or (“Nelcast”) is engaged in the manufacture of Iron Castings. The Holding Company has manufacturing plants at Gudur and at Pedapariya in Andhra Pradesh and Ponneri in Tamil Nadu. The Holding Company is a public limited Company and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Holding Company has a Subsidiary Company. The Holding Company together with its subsidiary is hereinafter referred to as the “Group”.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

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

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

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

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

1.2 BASIS OF CONSOLIDATION

The consolidated financial statements of the Group incorporate the financial statements of the Holding Company and its subsidiary. The Holding Company has control over the subsidiary as it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect its returns through its power over the subsidiary.

Consolidation of a subsidiary begins when the Holding Company obtains control over the subsidiary and ceases when the Holding Company losses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statement of profit and loss and other comprehensive income from the date the Holding Company gains control unit the date when the Holding Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Holding Company and to the non-controlling interests. Total comprehensive income of subsidiary is attributed to the owners of the Holding Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member’s financial statements in preparing the consolidated financial statements to ensure conformity with the Group’s accounting policies.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

All intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company i.e., year ended 31st March.

The Consolidated Financial Statements have been prepared on the basis of the financial statements of its subsidiary as detailed below:

Name of the Subsidiary	Country of Incorporation	Nature of Interest	% of Interest	Accounting year
NC Energy Limited	India	Subsidiary	93.44%	31 st March

1.3 FAIR VALUE MEASUREMENT

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

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

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

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

Non-Derivative Financial Instruments

(i) Financial assets carried at amortized cost

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

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

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

(iv) Financial liabilities

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

Derivative Financial Instruments

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

1.4 PROPERTY, PLANT AND EQUIPMENT

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

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

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1.5 INTANGIBLE ASSETS

Intangible assets are carried at cost less any accumulated amortization and accumulated impairment loss.

Costs incurred towards purchase of computer software are amortized using the straight line method over a period based on management's estimate of useful lives of such software or over the license period of the software, whichever is shorter.

1.6 IMPAIRMENT OF ASSETS

All assets other than Inventories and Investments are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount of those assets may not be fully recoverable, in such cases the carrying amount of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to the Statement of Profit and Loss.

If at the Balance sheet date there is an indication that the previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

1.7 INVESTMENTS

All Investments are carried at fair value. Investments, which at the inception, have been designated to be held for a long term capital appreciation, the changes in the fair value are considered through Other Comprehensive Income. All other investments are valued at fair value and the gains or losses being recognised in Statement of Profit and Loss.

1.8 INVENTORIES

Inventories are valued at the lower of cost and net realizable value.

Cost is ascertained on a moving weighted average basis. Cost includes cost of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

1.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1.10 LEASES

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Lease where the Lessor retains substantially all the risks and rewards incidental to the ownership is classified as an operating lease. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on straight-line basis over the lease term.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1.11 SEGMENT INFORMATION

The Holding Company is principally engaged only in the business of manufacture of Iron Castings and the Subsidiary Company has not commenced its commercial operations and hence, there are no other reportable segments. The geographical segments considered for disclosure based on location of its customers.

1.12 CONTRIBUTED EQUITY

Equity Shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

1.13 DIVIDEND

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as liability on the date of declaration by the Board.

1.14 GOVERNMENT GRANTS AND SUBSIDIES

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

1.15 REVENUE RECOGNITION

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

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

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

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

1.16 FOREIGN CURRENCY TRANSACTION

Initial Recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Subsequent Recognition:

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All monetary assets and liabilities in foreign currency are restated at the end of the accounting period. Exchange differences on restatement of all monetary items are recognised in the Statement of Profit and Loss.

1.17 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale capitalized as part of the cost of an asset. Where specific borrowings are identified to assets, the Company uses the interest rates applicable to that specific borrowing as the capitalization rate. Where borrowings cannot be specifically identified to assets, the capitalization rate applied is the weighted average of the interest rates applicable to all borrowings of the Company.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

1.18 TAXES

Income tax expense comprises of current and deferred tax. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Indian Income Tax Act, 1961. The tax rate and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1.19 EMPLOYEE BENEFITS

a. Defined Contribution Plans

- i) **Provident Fund:** The Company makes monthly Provident contributions at specified percentage of specified salary in accordance with the provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the contributions are charged to Statement of Profit and Loss.
- ii) **Superannuation Fund:** The Company makes annual Superannuation fund contributions to defined contribution plan, administered by the Life Insurance Corporation of India, for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of specified salary to fund the benefits. The contributions are charged to the Statement of Profit and Loss.

b. Defined Benefit Plan

Gratuity: The Company provides for Gratuity, a defined benefit retirement plan covering eligible employees as per the provisions of the Payment of Gratuity Act, 1972. The plan provides for a payment to vested employees at retirement, death while in employment or on termination of employment, an amount equivalent to fifteen days salary payable for each year of completed service subject to maximum amount as may be prescribed. Vesting occurs upon completion of five years of service, except in case of death while in employment in which case the legal heirs would receive the Gratuity.

The cost of providing benefits determined using the projected unit credit method, which actuarial valuation being carried out at each Balance Sheet date. The retirement benefit obligation recognised as expenditure represents the present value of defined benefit obligation as reduced by the fair value of scheme assets. The Company makes contribution to Life Insurance Corporation of India to administer the fund. The changes in the actuarial assumptions are accounted through Other Comprehensive Income.

1.20 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. There are no diluted earnings per share as there are no dilutive potential equity shares.

1.21 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Current Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent Assets are neither recognised nor disclosed in the financial statements.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

2. PROPERTY, PLANT & EQUIPMENT AND OTHER INTANGIBLE ASSETS

Year ended 31st March 2022

(₹ in Lakhs)

Particulars	Gross Carrying Amount			Depreciation / Amortisation			Net Carrying Amount			
	As at 1 st April 2021	Additions	Disposals	As at 31 st March 2022	Upto 31 st March 2021	Charge during the year	Disposals	Upto 31 st March 2022	As at 31 st March 2022	As at 31 st March 2021
(i). Property, Plant & Equip.										
Freehold Land	6109.80	-	81.93	6027.87	-	-	-	-	6027.87	6109.80
Freehold Buildings	9850.69	434.24	733.84	9551.09	1449.76	429.32	641.14	1237.94	8313.15	8400.93
Plant and Equipment	36563.27	3653.96	2983.22	37234.01	5841.54	1765.61	2569.86	5037.29	32196.72	30721.73
Office Equipment	94.54	5.68	33.82	66.40	44.41	12.61	16.65	40.37	26.03	50.13
Vehicles	198.11	-	-	198.11	143.20	10.44	-	153.64	44.47	54.91
Furniture and Fittings	122.32	1.57	50.66	73.23	60.56	9.27	50.66	19.17	54.06	61.76
Computers	81.11	21.19	36.73	65.57	62.83	15.83	36.73	41.93	23.64	18.28
(ii). Other Intangible Assets										
Computer Software	53019.84	4116.64	3920.20	53216.28	7602.30	2243.08	3315.04	6530.34	46685.94	45417.54
	138.75	17.46	4.30	151.91	81.96	18.62	4.30	96.28	55.63	56.79
TOTAL	53158.59	4134.10	3924.50	53368.19	7684.26	2261.70	3319.34	6626.62	46741.57	45474.33

- Borrowing costs capitalized during the year for the assets held under Capital Work-in-progress is ₹ Nil (31st March 2021: ₹ 636.62 Lakhs)
- Details of security of property, plant and equipment subject to charge to secured borrowings is given in Note No. 32

Particulars	Amount in CWIP as at 31 st March 2022			
	< 1Y	1Y to 2Y	2Y to 3Y	> 3Y
i. projects in progress	61.48	1.12	1.08	1237.79
ii. projects temporarily suspended	-	-	-	-
TOTAL	61.48	1.12	1.08	1301.47

Particulars	Amount in CWIP as at 31 st March 2021			
	< 1Y	1Y to 2Y	2Y to 3Y	> 3Y
i. projects in progress	154.31	1.08	1.03	1236.76
ii. projects temporarily suspended	-	-	-	-
TOTAL	154.31	1.08	1.03	1393.18

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	31 st March 2022 (₹ in Lakhs)	31 st March 2021 (₹ in Lakhs)
3. INVESTMENTS		
Trade, Unquoted - At Cost - Fully Paid-Up		
Investment in Equity Instruments:		
Others:		
- Suzlon Engitech Ltd 59,903 Equity shares of ₹ 10/- each	5.99	5.99
- OPG Power Generation Pvt Ltd 20,500 (P.Y. 17,600) Equity shares of ₹ 10/- each	2.34	2.01
- Watsun Infrabuild Pvt Ltd 3,50,200 (P.Y. 3,50,200) Equity shares of ₹ 10/- each	35.02	35.02
- Atria Wind Power Pvt Ltd 3,950 Equity shares of ₹ 100/- each	3.95	-
Total	47.30	43.02
4. OTHER NON-CURRENT ASSETS (Unsecured, Considered Good)		
Capital Advances	305.29	517.03
Total	305.29	517.03
5. INVENTORIES		
Raw Materials	3028.53	2962.03
Work-in-progress	4730.82	3984.24
Finished Goods	6052.82	2870.77
Stores and Spares	679.16	619.34
Loose Tools	1083.87	1202.44
Moulding Boxes & Patterns	297.52	202.33
Total	15872.72	11841.15
> Valued at lower of cost and net realisable value		

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	31 st March 2022 (₹ in Lakhs)	31 st March 2021 (₹ in Lakhs)				
6. TRADE RECEIVABLES						
Unsecured, Considered Good	24034.52	16418.65				
Total	24034.52	16418.65				
TRADE RECEIVABLES AGEING SCHEDULE	O/s for following periods from due date of payment as at 31st March 2022					
Particulars	< 6M	6M to 1Y	1Y to 2Y	2Y to 3Y	>3Y	Total
undisputed, considered good	1819.82	14.71	-	-	-	1834.53
TRADE RECEIVABLES AGEING SCHEDULE	O/s for following periods from due date of payment as at 31st March 2021					
Particulars	< 6M	6M to 1Y	1Y to 2Y	2Y to 3Y	>3Y	Total
undisputed, considered good	2385.28	18.11	-	-	-	2403.39
7. CASH AND CASH EQUIVALENTS						
Balances with Banks:						
- In Current Accounts	313.80	652.90				
- Fixed Deposits	5823.12	5846.36				
Cash on Hand	2.57	4.30				
Total	6139.49	6503.56				
8. BANK BALANCES OTHER THAN (7) ABOVE						
Unpaid Dividend Accounts	9.42	10.76				
Total	9.42	10.76				
9. OTHER FINANCIAL ASSETS						
Deposits with Govt. Authorities	1239.51	1151.39				
Accrued Interest on Deposits	56.18	110.40				
Export Incentives receivable/DEPB Balance	108.19	58.60				
Total	1403.88	1320.39				
10. CURRENT TAX ASSETS (NET)						
Tax Deducted at Source (net of provision)	32.13	36.51				
Total	32.13	36.51				
11. OTHER CURRENT ASSETS (Unsecured, Considered Good)						
Balances with Govt. / Statutory Authorities	45.13	7.46				
Prepaid Expenses	22.75	135.83				
Rental Advance	66.00	66.00				
Advances for Supplies & Services	275.20	199.45				
Advances given to Employees	6.05	5.17				
Total	415.13	413.91				

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

12. EQUITY SHARE CAPITAL	Number of Shares	₹ in Lakhs
Authorised:		
Equity Share of ₹ 2/- each		
As at 1st April 2020	125000000	2500.00
Increase during the year	-	-
As at 31st March 2021	125000000	2500.00
Increase during the year	-	-
As at 31st March 2022	125000000	2500.00
Issued, Subscribed and Paidup:		
Equity Share of ₹ 2/- each		
As at 1st April 2020	87001200	1740.02
Increase during the year	-	-
As at 31st March 2021	87001200	1740.02
Increase during the year	-	-
As at 31st March 2022	87001200	1740.02
Movements in Equity Share Capital:		
As at 1st April 2020	87001200	1740.02
As at 31st March 2021	87001200	1740.02
As at 31st March 2022	87001200	1740.02

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share.

Details of equity shareholders holding more than 5% :

Name of the shareholder	As at 31.03.2022		As at 31.03.2021	
	No. of shares	%	No. of shares	%
P. Deepak	34480000	39.63	34460000	39.61
P. Deepak (HUF)	14500000	16.67	14491763	16.66
P. Divya	16154249	18.57	16154249	18.57
	65134249	74.87	65106012	74.84

Details of equity shares held by Promoters :

Name of the shareholder	As at 31.03.2022		% change during the year
	No. of shares	%	
P. Deepak	34480000	39.63	0.02
P. Deepak (HUF)	14500000	16.67	0.01
P. Divya	16154249	18.57	0.00
	65134249	74.87	0.03

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	31 st March 2022 (₹ in Lakhs)	31 st March 2021 (₹ in Lakhs)
13. OTHER EQUITY		
Securities Premium Account	8774.13	8774.13
General Reserve	22500.00	22500.00
Retained Earnings	11153.72	9995.33
Total Reserves and Surplus	42427.85	41269.46
Securities Premium Account		
Opening Balance	8774.13	8774.13
Additions during the year	-	-
(Deductions) / (Adjustments) during the year	-	-
Closing Balance	8774.13	8774.13
General Reserve		
Opening Balance	22500.00	22500.00
Additions during the year	-	-
(Deductions) / (Adjustments) during the year	-	-
Closing Balance	22500.00	22500.00
Retained Earnings		
Opening Balance	9995.33	9004.16
Total Comprehensive Income for the period	1332.39	991.17
Amount available for Appropriation	11327.72	9995.33
Appropriations:		
- Dividend on Equity Shares	174.00	-
Closing Balance	11153.72	9995.33
14. BORROWINGS		
Term Loan from Banks (Refer Note No.32)	13741.96	10746.55
Total	13741.96	10746.55
15. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability :		
- Property, Plant and Equipment and Other Intangible Assets	4193.10	3894.72
Deferred Tax Asset :		
- Employee benefits	-98.98	-65.00
- Unused tax losses	-	-126.00
Total	4094.12	3703.06

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	31 st March 2022 (₹ in Lakhs)	31 st March 2021 (₹ in Lakhs)			
16. BORROWINGS					
Secured Loans Repayable on Demand to Banks:					
- Working Capital Loans (Refer Note No.32)	11248.87	7369.11			
Current Maturities of Long-Term Debt:					
- Term Loans from Banks (Refer Note No.32)	2962.71	3354.26			
Total	14211.58	10723.37			
17. TRADE PAYABLES					
Trade Payables:					
Total outstanding dues of Micro and Small Enterprises (Refer Note No.37)	2018.67	1050.11			
Total outstanding dues of creditors other than Micro and Small Enterprises	16040.23	11746.19			
Total	18058.90	12796.30			
TRADE PAYABLES AGEING SCHEDULE	O/s for following periods from due date of payment as at 31st March 2022				
Particulars	<1Y	1Y to 2Y	2Y to 3Y	>3Y	Total
i. undisputed, Micro & Small Enterprises	-	-	-	-	-
ii. undisputed, Others	687.36	-	-	-	687.36
TRADE PAYABLES AGEING SCHEDULE	O/s for following periods from due date of payment as at 31st March 2021				
Particulars	<1Y	1Y to 2Y	2Y to 3Y	>3Y	Total
i. undisputed, Micro & Small Enterprises	-	-	-	-	-
ii. undisputed, Others	141.44	34.58	-	-	176.02
18. OTHER FINANCIAL LIABILITIES					
Unpaid Dividends	9.42	10.76			
Total	9.42	10.76			
19. OTHER CURRENT LIABILITIES					
Statutory Dues	650.45	881.28			
Advances received from Customers	271.50	323.73			
Outstanding Expenses	638.80	1347.43			
Total	1560.75	2552.44			
20. PROVISIONS					
Provision for Employee Benefits:					
- Gratuity	13.33	-			
- Bonus	173.99	159.53			
Total	187.32	159.53			

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	31 st March 2022 (₹ in Lakhs)	31 st March 2021 (₹ in Lakhs)
21. REVENUE FROM OPERATIONS		
Sale of Products	92089.95	61095.87
Export Incentives	644.12	401.30
Total	92734.07	61497.17
22. OTHER INCOME		
Interest Income	297.70	347.86
Gain on Foreign Currency Transaction (Net)	642.58	118.13
Insurance claim received	-	21.97
Total	940.28	487.96
23. COST OF MATERIALS CONSUMED		
Raw Materials at the beginning of the year	2962.03	2220.18
Add: Purchases	49339.11	27869.77
(Less): Raw Materials at the end of the year	-3028.53	-2962.03
Cost of Materials Consumed	49272.61	27127.92
24. CHANGES IN INVENTORIES OF FINISHED GOODS (FG) & WORK-IN-PROGRESS (WIP)		
Closing Stock		
Finished Goods	6052.82	2870.77
Work-in-Progress	4730.82	3984.24
	10783.64	6855.01
Opening Stock		
Finished Goods	2870.77	5351.94
Work-in-Progress	3984.24	3369.14
	6855.01	8721.08
Changes in Inventories of FG & WIP	-3928.63	1866.07
25. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	4773.86	3884.03
Contribution to Provident and Other Funds	429.26	360.63
Staff Welfare Expenses	382.32	282.35
Total	5585.44	4527.01
26. FINANCE COSTS		
Interest Expense	2053.35	1370.08
Other Borrowing Costs	529.01	354.07
Total	2582.36	1724.15

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	31 st March 2022 (₹ in Lakhs)	31 st March 2021 (₹ in Lakhs)
27. DEPRECIATION & AMORTISATION EXPENSE		
Property, Plant and Equipment	2243.08	2156.61
Other Intangible Assets	18.62	17.60
Total	2261.70	2174.21
28. OTHER EXPENSES		
Consumption of Stores and Spares	3338.28	2190.42
Fettling and Other Manufacturing Expenses	13764.26	8724.13
Power and Fuel	10263.48	7304.47
Freight and Forwarding Charges	4754.47	2355.28
Repairs and Maintenance:		
- Plant and Machinery	1781.58	1083.82
- Buildings	131.68	73.87
Rent	147.75	144.29
Insurance	132.00	124.62
Rates and taxes	32.42	28.98
Printing and Stationery	32.26	24.68
Travelling and Conveyance	230.70	163.15
CSR Expenses (Refer Note No. 33)	68.85	98.32
Advertisement	2.25	2.40
Legal and Professional Charges	106.76	105.04
Communication Charges	20.01	18.98
Payment to Auditors:		
- Audit Fee	15.00	13.00
- Tax Audit Fee	2.00	2.00
Sitting Fee to Directors	17.40	10.00
Books, Periodicals & Subscriptions	8.39	8.93
Vehicle and Office Maintenance	127.91	94.30
Selling Expenses	964.48	760.30
Loss on Asset Sold/Scrapped (Net)	47.97	1.64
Miscellaneous Expenses	5.98	4.36
Total	35995.88	23336.98

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

29. TAX EXPENSES

The major components of Income Tax are given below:

(₹ in Lakhs)

Particulars	31 st March 2022	31 st March 2021
Profit or Loss:		
Current Tax:		
Current Income Tax Charge	61.16	-
Adjustment of current tax of previous year	-	-
Total	61.16	-
Deferred Tax:		
Relating to the origination and reversal of temporary differences	421.36	324.61
Income tax expense reported in the Statement of Profit and Loss	482.52	324.61

Other Comprehensive Income:		
Current Tax:		
Tax related to items recognised in other comprehensive income during the year:		
Remeasurement of Defined Benefit Plans	-30.30	29.26
Income tax charged to Other Comprehensive Income	-30.30	29.26

Reconciliation of tax expense and the accounting profit multiplied by India's Domestic Tax rate for 31st March 2022 and 31st March 2021:

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the standard rate of company tax in India as follows:

(₹ in Lakhs)

Particulars	31 st March 2022	31 st March 2021
Accounting Profit before income tax	1904.99	1228.79
Enacted tax rate in India*	25.168%	25.168%
Profit before income tax multiplied by enacted tax rate	479.45	309.26
Effects of:		
Allowances under Income Tax Act	-491.48	-501.18
Disallowances under Income Tax Act	73.19	65.27
Adjustment of current tax of previous year	-	-
Net effective Income Tax	61.16	-

* on Capital Gains it is 22.88%.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

30. EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity Shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity Shares outstanding during the year plus the weighted average number of Equity Shares that would be issued on conversion of all the dilutive potential Equity Shares in to Equity Shares.

The Basic and Diluted EPS calculations are given below:

Particulars	31 st March 2022	31 st March 2021
Profit after tax (₹ in Lakhs)	1422.47	904.18
Weighted average number of shares in Lakhs		
- Basic	870.01	870.01
- Diluted	870.01	870.01
Earnings per share of ₹ 2/- each		
- Basic	1.64	1.04
- Diluted	1.64	1.04

31. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined employee benefit plans (Gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about defined benefit gratuity plan are given in Note No. 39.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model.

32. (i). Term Loans from Banks are secured by equitable mortgage of land, building and hypothecation of plant and machinery present and future. Working Capital Loans repayable on demand is fully secured by hypothecation of raw materials, stocks in process, finished goods, stores, book debts and second charge on Plant & Equipment situated at Gudur Plant.
- (ii) The monthly statements of book debts and inventories filed by the Company with the Banks are in agreement with the books of accounts.
- (iii). Terms of Repayment

Loan Description

Term Loan - Banks

Repayment Terms

Quarterly Installment

33. DETAILS OF CSR EXPENDITURE

(₹ in Lakhs)

Particulars	31 st March 2022	31 st March 2021
i. amount required to be spent by the Company during the year	67.21	97.04
ii. amount of expenditure incurred	68.85	98.32
iii. shortfall at the end of the year	-	-
iv. total of previous years shortfall	-	-
v. reason for shortfall	-	-
vi. nature of CSR activities	Healthcare, Vocational Training, Community Development and Promotion of Rural Sports	Healthcare, Vocational Training, Community Development and Literacy
vii. details of related party transactions (e.g., contribution to trust controlled by Company)	Nil	Nil
viii. where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

34. COMMITMENTS

(₹ in Lakhs)

Particulars	31 st March 2022	31 st March 2021
Estimated amount of contracts remaining to be executed and not provided for in these accounts (net of advances) in respect of acquisition of assets.	314.09	1526.07

35. CONTINGENT LIABILITIES

Particulars	31 st March 2022	31 st March 2021
Bank Guarantees / Letters of Credit	80.00	86.05
Claims against the company not acknowledged as debts primarily towards (net of amount paid to statutory authorities): towards sales tax	17.11	17.11

Claims against the company not acknowledged as debts represent demands raised by sales tax authorities, as reduced by the amounts paid by the company. Against these demands the company has already filed appeals with concerned appellate authorities. As per the experts' opinion these disputed matters are likely to be decided in company's favour and as such the management believes the ultimate outcome of the proceedings will not have a material adverse effect on the company's financial position and results of operations.

36. SEGMENT REPORTING UNDER IND AS 108

The Company operates in a single primary business segment namely Manufacture of Iron Castings. The following are the information relating to geographical segment:

(₹ in Lakhs)

Year ended	India	Others	Total
31 st March 2022	69941.92	22148.03	92089.95
31 st March 2021	48467.25	12628.62	61095.87

Out of the above said revenue two customers represent more than 10% of the gross revenue and in total contribute 29.08% of the gross revenue.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- 37.** The information regarding Micro and Small Enterprises which is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Company. The amount of principal and interest outstanding is given below:

(₹ in Lakhs)

Particulars	31 st March 2022	31 st March 2021
i. The principal amount (2021-22: 2018.67, 2020-21: 1050.11) and the interest due (2021-22: Nil, 2020-21: Nil) thereon remain unpaid to suppliers at the end of each accounting year.	2018.67	1050.11
ii. The amount of interest paid by the buyer as per section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure.	-	-

38. LEASES

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company has only short term leases.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

39. EMPLOYEE BENEFITS

- (i) The Company provides Gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous services for a period of five years are eligible for Gratuity. The amount of Gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for fifteen days salary multiplied for the number of years of service. The Gratuity plan is a funded plan and maintained with Life Insurance Corporation of India.

(₹ in Lakhs)

Particulars	Present Value of Obligation	Fair Value of Plan Assets	Total
1st April 2020	915.76	-862.70	53.06
Current Service Cost	67.64	-	67.64
Past Service Cost	-	-	-
Interest Expense / (Income)	66.39	-68.71	-2.32
Total amount recognised in Statement of Profit and Loss	134.03	-68.71	65.32
Re-measurements			
- Return on plan assets, excluding amounts included in Interest Expense / (Income)	-	-	-
- (Gain)/Loss from change in demographic assumptions	-116.25	-	-116.25
- (Gain)/Loss from change in financial assumptions	-	-	-
- Experience (Gains)/Losses	-	-	-
- Changes in asset ceiling excluding amounts included in interest expense	-	-	-
Total amount recognised in other comprehensive income	-116.25	-	-116.25
- Employer Contributions	-	-116.87	-116.87
- Benefit Payments	-69.61	69.61	-
31st March 2021	863.93	-978.67	-114.74

(₹ in Lakhs)

Particulars	Present Value of Obligation	Fair Value of Plan Assets	Total
1st April 2021	863.93	-978.67	-114.74
Current Service Cost	65.94	-	65.94
Past Service Cost	-	-	-
Interest Expense / (Income)	60.47	-73.42	-12.95
Total amount recognised in Statement of Profit and Loss	126.41	-73.42	52.99
Re-measurements			
- Return on plan assets, excluding amounts included in Interest Expense / (Income)	-	-	-
- (Gain)/Loss from change in demographic assumptions	120.38	-	120.38
- (Gain)/Loss from change in financial assumptions	-	-	-
- Experience (Gains)/Losses	-	-	-
- Changes in asset ceiling excluding amounts included in interest expense	-	-	-
Total amount recognised in other comprehensive income	120.38	-	120.38
- Employer Contributions	-	-45.30	-45.30
- Benefit Payments	-33.73	33.73	-
31st March 2022	1076.99	-1063.66	13.33

(ii) The Net Liability/ (Asset) disclosed above relates to funded and unfunded plans as follows:
(₹ in Lakhs)

Particulars	31 st March 2022	31 st March 2021
Present value of funded obligations	1076.99	863.93
Fair value of plan assets	-1063.66	-978.67
Deficit/(Excess) of Funded Plan	13.33	-114.74
Unfunded plans	-	-
Deficit/(Excess) of Gratuity Plan	13.33	-114.74

(iii) Significant Estimates: Actuarial assumptions and sensitivity

Particulars	31 st March 2022	31 st March 2021
Discount Rate	7.00%	7.00%
Expected return on Plan Assets	7.50%	7.50%
Salary Growth Rate	7.00%	7.00%
Attrition Rate (depend on age)	1% to 3%	1% to 3%

40. FAIR VALUES

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, management has assessed the fair value of the borrowings approximate their current value largely since they are carried at floating rate of interest.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

41. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise borrowings, trade and other payable. The main purpose of these financial liabilities is to finance the Company operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents derived directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk (including input cost risk, interest rate risk and foreign currency risk), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company. The Company does not enter into or trade financial instruments for speculative purposes.

a. Credit Risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, loans and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

b. Liquidity Risk:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

c. Market Risk:

Economic recession gripped global economy following the lockdowns and surge in infections due to the Covid-19 pandemic was sudden and unexpected. While India is facing a tough battle with the second wave, a potential third wave or other complications could again impact both the domestic and global economy. External factors such as government policies and rainfall could have a significant impact on sales of Tractors and Commercial Vehicles, which are cyclical in nature. To mitigate the risk of seasonality & cyclicity in the domestic market, the Company has been developing its exports and products in other segments viz. off-highway, railways etc.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Input Cost Risk:

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

Interest Rate Risk:

The Company aims to judiciously managed the debt-equity ratio. It has been using a mix of debt and internal cash accruals. The company works closely with our banks to minimise the interest costs. The Company works to manage the working capital requirements to reduce the overall interest cost.

Foreign Currency Risk:

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

Unhedged foreign Currency

The Company's unhedged foreign currency exposure is as follows :

(₹ in Lakhs)		
Particulars	31 st March 2022	31 st March 2021
FCY Receivables	12395.41	6369.09
Hedged	4220.66	697.93
Un-hedged	8174.75	5671.16

(₹ in Lakhs)		
Particulars	31 st March 2022	31 st March 2021
FCY Payables	6277.13	6742.68
Hedged	5986.18	6338.31
Un-hedged	290.95	404.37

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

43. ADDITIONAL INFORMATION AS PER SCHEDULE III TO THE COMPANIES ACT, 2013

Name of the Entity	Net assets i.e. total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive (Income)/Loss		Share in Total Comprehensive Income	
	As a % of Consolidated net assets	₹ in Lakhs	As a % of consolidated Profit or Loss	₹ in Lakhs	As a % of consolidated Other Comprehensive Income	₹ in Lakhs	As a % of Total Comprehensive Income	₹ in Lakhs
Parent Nelcast Limited	99.39%	44167.87	100.00%	1422.47	100.00%	90.08	100.00%	1332.39
Subsidiary NC Energy Limited	0.61%	271.00	0.00%	0.00	0.00%	0.00	0.00%	0.00
Total	100.00%	44438.87	100.00%	1422.47	100.00%	90.08	100.00%	1332.39

44. RELATED PARTY DISCLOSURE

Related parties under Ind AS 24 with whom transactions have taken place during the year:

Key Management Personnel (KMP):

1. Mr. P. Deepak, Managing Director
2. Mr. S.K. Sivakumar, Chief Financial Officer & Company Secretary

Relatives / Enterprises related to Key Management Personnel (KMP):

1. Mrs. P. Jamuna
2. Mrs. S. Vijayalakshmi
3. M/s. MIC USA LLC
4. M/s. Lashi Exports Ltd.

a. Transactions with related parties (2021-22)

(₹ in Lakhs)

Nature of Transactions	KMP	Relatives to KMP	Enterprises related to KMP
Remuneration	264.49	-	-
Rental Payments	-	147.23	-
Other Payments	-	-	410.99
Other Receipts	-	-	-222.81

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

b. Transactions with related parties (2020-21) (₹ in Lakhs)

Nature of Transactions	KMP	Relatives to KMP	Enterprises related to KMP
Remuneration	223.23	-	-
Rental Payments	-	146.73	-
Other Payments	-	-	234.60

- 45.** Previous year's figures have been regrouped and reclassified wherever necessary to conform to this year's classification.

As per our report of even date

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

Place : Chennai
Date : 23rd May 2022

For and on behalf of the Board

D. Sesha Reddy

Chairman
DIN: 00520448

A. Balasubramanian

Director
DIN: 00490921

P. Deepak

Managing Director
DIN: 02785326

S. K. Sivakumar

Chief Financial Officer &
Company Secretary

