



Anugraha Valve Castings Limited



**ANNUAL REPORT
2019-20**



Anugraha Valve Castings Limited

28th Annual Report

BOARD OF DIRECTORS

Shri R. Baskaran,
Chairman & Managing Director

Shri B. Anandkumar,
Joint Managing Director

Shri R.P. Joshua, Independent Director

Shri S. Ponraj, Independent Director

Shri Ramnath Dureja, Non-Executive Director

Shri Ajay J Shah, Non-Executive Director

AUDIT COMMITTEE

Shri B. Anandkumar
Shri R.P. Joshua
Shri S. Ponraj

NOMINATION AND REMUNERATION COMMITTEE

Shri R.P. Joshua
Shri S. Ponraj
Shri Ramnath Dureja

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Shri R. Baskaran
Shri S. Ponraj
Shri Ajay J Shah

STATUTORY AUDITOR

CA R. Maheswaran,
Chartered Accountant
IIA/GF.Deer Cee Victoria Apartments,
78-1, East Lokamanya Street,
R.S.Puram, Coimbatore - 641 002.

COST CONSULTANT

Ramakrishnan & Co,
Cost Accountants
TB 302, Beateel Apartment,
Nanjundapuram Road, Nanjundapuram,
Coimbatore - 641 036.

INTERNAL AUDITORS

CA SSS. Arul Mozhi Varman, B.Com., FCA., DISA (ICA), Chartered Accountant, Sivakasi.

COMPANY LAW CONSULTANT

KSR & Co Company Secretaries LLP,
"Indus Chambers" Ground Floor,
101, Govt. Arts College Road,
Coimbatore - 641 018.

LEGAL ADVISORS

Ramani & Shankar
Advocates
"Brindavan" 152, Kalidas Road,
Ramnagar, Coimbatore - 641 009.

BANKERS

State Bank of India

Commercial Branch (07536),
Krishna Towers, No.1087/A-F,
Avinashi Road, Coimbatore - 641 037.

REGISTRAR & SHARE TRANSFER AGENT ["RTA"]

S.K.D.C. Consultants Limited,

P.B.No.2016, "Kanapathy Towers", 3rd Floor,
1391/A-1, Sathy Road, Ganapathy Post,
Coimbatore - 641 006.

DEPOSITORY PARTICIPANTS ["DP"]

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED ["CDSL"]

Marathon Futurex, 25th Floor,
N.M.Joshi Marg, Lower Parel (East),
Mumbai, Maharashtra - 400 013.

NATIONAL SECURITIES DEPOSITORY LIMITED ["NSDL"]

4th Floor, Trade World, A Wing,
Kamala Mills Compound, Senapati Bapat Marg,
Lower Parel, Mumbai, Maharashtra - 400 013.

COMPANY INFORMATION**CIN : U27109TZ1992PLC003873****ISIN: INE629Z01015**

REGD. OFFICE & WORKS	S.F.NO.391/2, SENGODA GOUNDEN PUDUR, ARASUR VILLAGE, COIMBATORE - 641 407 PHONE: 0422 - 2360124, 2360910. WEBSITE: www.anugrahavalvecastings.com EMAIL: secretarial@anugrahavalve.com
UNIT II	S.F. NO. 391/1, 394/1D, 394/2, SENGODA GOUNDEN PUDUR, ARASUR VILLAGE, COIMBATORE - 641 407
UNIT III	S.F.NO. 400/5, SENGODA GOUNDEN PUDUR, ARASUR VILLAGE, COIMBATORE - 641 407
UNIT IV	S.F.NO. 578, 579-A KANJAPALLI VILLAGE, ANNUR - KARUMATHAMPATTI ROAD, COIMBATORE - 641 653
UNIT V	S.F.NO. 307, SENGODA GOUNDEN PUDUR, ARASUR VILLAGE, COIMBATORE - 641 407
UNIT VI	S.F.NO. 168/1,2, 170/2,3B, 171/5, PADHUVAMPALLI VILLAGE PANCHAYAT, SULUR TK., COIMBATORE - 641 659
BRANCH I	S.F.NO.272/1E, DR. JAGANATHA NAGAR, CIVIL AERODROME POST, COIMBATORE - 641 014
WIND MILL I	S.F.NO. 668 DHANUKKARKULAM VILLAGE, RADHAPURAM TALUK, TIRUNELVELI DISTRICT - 627 116
WIND MILL II	S.F.NO. 373 VADAKKUKAVALAKURICHI VILLAGE, VEERAKERALAMPUDUR TALUK, TIRUNELVELI DISTRICT - 627 860
WIND MILL III	S.F.NO. 2/1 KADUVETTI VILLAGE, ALANGULAM TALUK, TIRUNELVELI DISTRICT - 627 854
WIND MILL IV	S.F.NO. 15/1 & 18/1C KADUVETTI VILLAGE, ALANGULAM TALUK, TIRUNELVELI DISTRICT - 627 854
WIND MILL V	S.F.NO. 25/5 MYVADI VILLAGE, MADATHUKULAM TALUK, TIRUPPUR DISTRICT - 642 203
WIND MILL VI	S.F.NO. 718/2, SAMUGARENGAPURAM, RADHAPURAM, TIRUNELVELI DISTRICT - 627 111
ADMINISTRATIVE OFFICE	D.NO. 434, CROSS CUT ROAD, LAWRENCE COMPLEX, COIMBATORE - 641 012

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Anugraha Valve Castings Limited

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NOTICE

Notice is hereby given that the **Twenty-Eighth Annual General Meeting** of the shareholders of the Company will be held at **10.45 AM on Thursday, the 26th day of November 2020** at **Anugraha Valve Castings Limited - Unit III, S.F.No.400/5, Sengoda Gounden Pudur, Arasur Village, Coimbatore - 641 407** to transact the following business.

ORDINARY BUSINESS

- 1. TO RECEIVE, CONSIDER AND ADOPT THE STANDALONE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020 TOGETHER WITH NOTES, DIRECTORS' REPORT, ANNEXURES AND STATUTORY AUDITOR'S REPORT THEREON.**
- 2. RE-APPOINTMENT OF SHRI AJAY J SHAH [DIN: 00294193], NON - EXECUTIVE DIRECTOR, WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT.**

SPECIAL BUSINESS

- 3. FIXING REMUNERATION FOR SHRI R. BASKARAN, CHAIRMAN & MANAGING DIRECTOR [DIN: 00002341] FOR HIS REMAINING TENURE OF OFFICE**

To consider and grant approval for payment of remuneration without any change in the existing remuneration as detailed hereunder, 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 196, 197 and 198 of the Companies Act, 2013 and other applicable rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the members be and is hereby accorded, as special resolution, to fix remuneration for **Shri R. Baskaran, Chairman & Managing Director**, aged 77 years, as detailed hereunder, who holds office with effect from 1st October 2017 to 30th September 2022 vide 25th Annual General Meeting of the company held on 23rd September 2017; for his remaining tenure from 1st October 2020 to 30th September 2022; as the earlier resolution for payment of remuneration in accordance with Section II of Part II of Schedule V in the event of inadequacy of profits shall expire on 30th September 2020. Approval is hereby granted for the remuneration to be paid in the event of loss or inadequacy of profits for his remaining tenure as mentioned above, and as recommended by Nomination and Remuneration committee and approved by the Board, which is at the same level as was fixed earlier:

Details of Remuneration: [From 1st October 2017 to 30th September 2020] and [Proposed with no change from 1st October 2020 to 30th September 2022]

A. Salary:

- (i) Salary of ₹.25,00,000/- per month
- (ii) Bonus of ₹.25,00,000/- per annum, being one month's salary

B. Perquisites:

- (i) Reimbursement of medical expenses incurred in India or abroad including hospitalization, nursing home and surgical charges for himself and his wife.
- (ii) Personal accidents and Mediclaim insurance policy for self and his wife, premium not to exceed ₹.1,00,000/- per annum.
- (iii) Leave Travel Assistance for self and family once in a year in accordance with the Company's Rules.

(iv) Gratuity as per the company's policy.

(v) Other benefits like, Provident Fund, Pension, Leave etc. as per the Rules of the Fund, Act and Company.

Provided the aggregate cost to the Company per annum on the perquisites mentioned under Clause (B) above shall not exceed ₹. 25,00,000/- being one month's salary.

C. Leave

As per Company's Rules.

D. Termination of Appointment

Three months' notice on either side.

RESOLVED FURTHER THAT, in the event of loss or inadequacy of profit the remuneration stated above will be paid as Minimum Remuneration in accordance with Section II of Part II of Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT, the other terms and conditions of appointment remains the same and as per the provisions of the Articles of Association, he shall not be liable to retire by rotation."

4. FIXING REVISED REMUNERATION FOR SHRI B. ANANDKUMAR, JOINT MANAGING DIRECTOR [DIN: 00002339] FOR HIS REMAINING TENURE OF OFFICE

To consider and grant approval for payment of remuneration with change in the existing remuneration as detailed hereunder, 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 196, 197 and 198 of the Companies Act, 2013 and other applicable rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the members be and is hereby accorded, as special resolution, to fix revised remuneration for **Shri B. Anandkumar, Joint Managing Director**, aged 49 years, as detailed hereunder, who holds office with effect from 1st October 2017 to 30th September 2022 vide 25th Annual General Meeting of the company held on 23rd September 2017; for his remaining tenure from 1st October 2020 to 30th September 2022; as the earlier resolution for payment of remuneration in accordance with Section II of Part II of Schedule V in the event of inadequacy of profits shall expire on 30th September 2020. Approval is hereby granted for the remuneration to be paid in the event of loss or inadequacy of profits for the period aforementioned with variation and as recommended by Nomination and Remuneration committee and approved by the Board, as indicated below:

Details of Remuneration:**A. Salary:**

- (i) Salary of ₹.22,00,000/- per month proposed from 1st October 2020 to 30th September 2022 [₹.18,50,000/- per month from 1st October 2017 till 30th September 2020]
- (ii) Bonus of ₹.44,00,000/- per annum, being two months' salary proposed from 1st October 2020 to 30th September 2022 [₹. 55,50,000/- per annum, being three month's salary from 1st October 2017 till 30th September 2020]

B. Perquisites: [From 1st October 2017 to 30th September 2020] and [Proposed with no change in actual terms from 1st October 2020 to 30th September 2022]

- (i) Reimbursement of medical expenses incurred in India or abroad including hospitalization, nursing home and surgical charges for himself and his family [which comprises of "relatives" as per Companies Act, 2013].
- (ii) Personal accidents and Mediclaim insurance policy for self and his family [which comprises of "relatives" as per Companies Act, 2013], premium not to exceed ₹. 1,00,000/- per annum.
- (iii) Leave Travel Assistance for self and family [which comprises of "relatives" as per Companies Act, 2013] once in a year in accordance with the Company's Rules.
- (iv) Gratuity as per the company's policy.
- (v) Other benefits like, Provident Fund, Pension, Leave etc. as per the Rules of the Fund, Act and Company.

Provided the aggregate cost to the Company per annum on the perquisite mentioned under Clause (B) shall not exceed 10% of his Annual Salary. While no change is proposed in perquisites pre se, due to change in Annual Salary from 1st October 2020 to 30th September 2022 the computation of 10% of Annual Salary varies for the said period.

C. Leave

As per Company's Rules.

D. Termination of Appointment

Three months' notice on either side.

RESOLVED FURTHER THAT, in the event of loss or inadequacy of profit the remuneration stated above will be paid as Minimum Remuneration in accordance with Section II of Part II of Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT, the other terms and conditions of appointment remains the same and he shall be eligible to retire by rotation, however subject to the provisions of Articles of Association whereby any director who is rendering whole time service, shall have priority while determining the directors who shall not be liable to retirement by rotation."

5. TO APPOINT SHRI RAMANI VIDHYA SHANKAR [DIN: 00002498] AS NON-EXECUTIVE INDEPENDENT DIRECTOR

To consider and grant approval for appointment of Shri Ramani Vidhya Shankar as Non-Executive Independent Director of the Company as detailed hereunder, 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 Section 149, Section 152, Section 161, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the provisions of Articles of Association of the Company, Shri. Ramani Vidhya Shankar [DIN:00002498], as recommended by Nomination and Remuneration committee and appointed as Additional Director [in the category of Non-Executive Independent Director] by the Board of Directors vide their meeting held on 30th October 2020, be and is hereby appointed by passing of special resolution, as the Non-Executive Independent Director of the Company, for a period of five years commencing from 31st October 2020 to 30th October 2025 [first term], not being liable to retire by rotation."

6. AMEND MEMORANDUM OF ASSOCIATION OF THE COMPANY

To consider, and if thought fit, to pass with or without modification(s), the following resolution as **SPECIAL RESOLUTION**.

“RESOLVED THAT, pursuant to the provisions of Section 13 of the Companies Act, 2013 and the rules framed thereunder, the existing Memorandum of Association of the Company which were formulated in accordance with provisions of Companies Act, 1956, be and is hereby superseded and the amended Memorandum of Association with changes stated below, be approved by special resolution, for amendment to incorporate the objects clause in accordance with the provisions of Table A of Schedule I of the Companies Act, 2013 and to remove the businesses which are not proposed to be undertaken by the Company in the manner stated below:

- (i) All the clauses in the Memorandum of Association shall indicate provisions of Companies Act, 2013 instead of Companies Act 1956.
- (ii) To include in Clause III(A) as Para 8 - “To lend money to any company, partnership, person or entity and invest surplus funds of the company, in quote or unquoted securities or for the purpose of creation of a subsidiary, associate or joint venture company, in accordance with the provisions of the Companies Act, 2013.”
- (iii) Clause III(B) to be renamed as **“MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A) ARE”** as per Table A of Schedule I instead of **“OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF MAIN OBJECTS”**
- (iv) To delete Para 29 of Clause III(B) - “To canvass supports and patrons of the Company to carry out its business effectively.
- (v) To add Para 36 to Clause III(B) “To do all such other things as are incidental or conducive to the attainment of the objects.”
- (vi) To delete heading in Clause III(C) - **“OTHER OBJECTS NOT INCLUDED IN (A) and (B) ABOVE”** and Para 1 of Clause III(C) as it pertains “To manufacture, buy, sell, export all kinds of knitwear, hosiery products, garments.”
- (vii) To move Para 2 of Clause III(C) to Para 32 of Clause III(B) with amendment of adding the words “or Non -Banking Financial Company”.
- (viii) To move Para 3 of Clause III(C) to Para 12 of Clause III(B).
- (ix) To move Para 4 of Clause III(C) to Para 2 of Clause III(B) by deleting the words “Textile, chemical”.
- (x) Paras have been renumbered to accommodate the changes above.

RESOLVED FURTHER THAT, Shri R. Baskaran, Chairman & Managing Director and /or Shri B. Anandkumar, Joint Managing Director, jointly and severally be authorised to take such steps as may be necessary including the delegation of all or any of its powers herein conferred upon any other officer(s) of the Company for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this special resolution.”

7. AMEND ARTICLES OF ASSOCIATION OF THE COMPANY

To consider, and if thought fit, to pass with or without modification(s), the following resolution as **SPECIAL RESOLUTION**:

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"RESOLVED THAT, subject to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, the existing Articles of Association of the Company which were formulated in accordance with provisions of Companies Act, 1956, be and is hereby amended in supersession by special resolution and the amended Articles of Association be approved and adopted in accordance with the provisions of Table F of Schedule I of Companies Act, 2013.

RESOLVED FURTHER THAT, Shri R. Baskaran, Chairman & Managing Director and /or Shri B. Anandkumar, Joint Managing Director, jointly and severally be authorized to take such steps as may be necessary including the delegation of all or any of its powers herein conferred upon any other officer(s) of the Company for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

An explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013 is annexed to the Notice for Item Nos.3 to 7 mentioned in the Notice.

By Order of the Board

Place: Coimbatore

Date: 28th August 2020

R. BASKARAN

Chairman & Managing Director

DIN: 00002341

EXPLANATORY STATEMENT TO NOTICE OF 28TH ANNUAL GENERAL MEETING**Item No.3**

The members of the company at the 25th Annual General Meeting held on 23rd September 2017, had approved the appointment and remuneration of Shri R. Baskaran, Chairman & Managing Director for a period of five years from 1st October 2017 to 30th September 2022. However, as the remuneration was approved as per Section II of Part II of Schedule V in terms of inadequacy of profits, the resolution pertaining to remuneration will expire on 30th September 2020.

Now, as the term of his appointment continues till 30th September 2022, but the three years period for fixing of remuneration has come to an end, the Directors of the Company on the recommendation made by the Nomination and Remuneration Committee vide their meeting held on 28th August 2020 had approved the remuneration of Shri R. Baskaran, Chairman & Managing Director by considering the time and energy spent by him, for payment of existing managerial remuneration, as set out in the Resolution no. 3, for his remaining tenure from 1st October 2020 to 30th September 2022, subject to the approval of the members of the Company.

The detailed information required as per Section II (A) of Part II of Schedule V of the Companies Act, 2013 is provided hereunder:

I GENERAL INFORMATION

- | | | |
|---|---|---|
| (i) Nature of Industry | : | Steel and Alloy Steel Foundry |
| (ii) Commencement of Commercial Production | : | 1993 |
| (iii) Financial Performance based on given indicators | : | The Company earned Net Profit before tax of ₹.12.73 Crores for the Financial year 2019-20 and ₹.3.07 Crores earned up to 31 st July 2020. The provisional result for the four months period ended on 31 st July 2020 is reasonable. |
| (iv) Export Performance | : | ₹.200.80 Crores for the financial year 2019-20 |
| (v) Foreign Investment/Collaborators | : | Nil |

II INFORMATION ABOUT SHRI R. BASKARAN**(i) Background**

Shri R. Baskaran had been trading in automobile spare parts for over 32 years. He commenced manufacturing activity by promoting this company about 28 years back. Needless to say, he has dedicated his full time and efforts to the growth and development of the Company.

(ii) Past Remuneration

₹.3.25 Crores per annum.

(iii) Awards / Recognitions**(a) Awards:**

With the dedicated work force and committed management of the team by him, the company has won many awards such as "Export Excellence Award - 2007", "Star Performer Award - 2009", "Asia Pacific International Award - 2013". He has also won many accolades for himself. Few of those are as follows:

- (i) Honorary Doctorate of Foundry Science from the Yorker International University,
- (ii) Certificate of Excellence as Entrepreneur of the Year from Manufacturing Today - Conference & Awards 2012,
- (iii) CMA - ROOTS - Best Entrepreneur Award from Coimbatore Management Association,
- (iv) GK Sundaram Award from The Indian Chamber of Commerce and Industries,
- (v) Mahindra Pumps Best Exporters Award - 2017-18 from The Indian Institute of Foundry Men, Coimbatore,
- (vi) Top Exporter for the year 2017-18 - National Award from Engineering Export Promotion Council, Calcutta
- (vii) Top Exporter for the year 2017-18 - Regional Award from Engineering Export Promotion Council, Chennai.

(b) Recognitions

Under his valuable guidance and supervision, the company has achieved the following recognitions :

- (i) ISO 14001:2004
- (ii) OHSAS 18001:2007
- (iii) ISO 9001:2008
- (iv) ISO 3834-2 (EN 729-2)

(iv) Job Profile and his Suitability

He contributes extensively to the growth of the Company. The entire work force as a huge team moves under his able guidance. Customers find his down to earth approach very appealing and he is certainly the most suitable leader to head the Company.

At the age of 77, he is fully capable of leading the company in the right direction despite difficult COVID-19 situation because of his excellent hands on understanding of the nuances of the business and overseas relationships based on immense travel and interaction with international clients.

(v) Remuneration Proposed [from 1st October 2017 to 30th September 2020] and [Proposed with no change from 1st October 2020 to 30th September 2022]**A. Salary:**

- (i) Salary of ₹.25,00,000/- per month
- (ii) Bonus of ₹.25,00,000/- per annum, being one month's salary

B. Perquisites:

- (i) Reimbursement of medical expenses incurred in India or abroad including hospitalization, nursing home and surgical charges for himself and his wife.
- (ii) Personal accidents and Mediclaim insurance policy for self and his wife, premium not to exceed ₹.1,00,000/- per annum.

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- (iii) Leave Travel Assistance for self and family once in a year in accordance with the Company's Rules.
- (iv) Gratuity as per the company's policy.
- (v) Other benefits like, Provident Fund, Pension, Leave etc. as per the Rules of the Fund, Act and Company. Provided the aggregate cost to the Company per annum on the perquisites mentioned under Clause (B) above shall not exceed ₹.25,00,000/- being one month's salary.

(vi) Comparative Remuneration Profile with Respect to Industry, Size of the Company, Profile of the Position and Person:

The remuneration package is competitive and is at par with the packages offered in the industry of this size.

(vii) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. : Nil

III. OTHER INFORMATION

- (i) Reasons for inadequate profits : The profits are considered inadequate because the total remuneration payable to both the executive directors set out in the Item 3 & 4 exceeds the ceiling of 10% of net profits calculated as per Section 198 of the Companies Act, 2013, prescribed for managerial Remuneration under Section 197(1) of the Companies Act, 2013. The overall ceiling of 11% of net profits has also exceeded as per the aforesaid provision.
- (ii) Steps taken or proposed to be taken for improvement : The company has taken various measures like opening of New Machine Shop (Unit-II) to meet our existing customers' needs and to increase machining production and is also contemplating value addition to its products, ability to deliver high quality yields, obtain higher price and repeat orders.
- (iii) Expectation in production and profits in measurable terms : Production and Profit during the current fiscal are expected to increase in spite of COVID -19 impact compared to last year unless, there are any unforeseen events impacting the growth of the business.

IV. DISCLOSURE AS PER SECTION 200 OF COMPANIES ACT, 2013

(1) Financial and operating performance of the company during the three preceding financial years:

The Company has achieved Turnover and Net Profit during the three preceding year as follows:

(₹. in Lakhs)		
Financial Year	Sales	Profit After Tax
2017-18	17520.46	903.11
2018-19	21051.24	1324.68
2019-20	22630.48	1143.31

(2) Remuneration or commission drawn by Shri R. Baskaran concerned in any other capacity or from any other company: Nil

(3) Professional qualifications and experience:

Professional qualification : Nil

Experience: 60 Years of experience in Automobile & Foundry Engineering Industries.

(4) Relationship between remuneration and performance:

There is a significant relationship between remuneration scheme and employee performance in Anugraha Valve Castings Limited.

(5) Principle of proportionality of remuneration within the company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the company:

The executive directors are paid a remuneration based on their performance. The non-executive directors are paid sitting fees only and no other form of remuneration. Performance of senior executives of the company are reviewed by the Managing director and performance of other employees are reviewed in accordance with the Human Resources policy of the company.

(6) Whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference: Yes.

Remuneration policy for directors is approved by Board and for employees remuneration is approved by management as per Factories Act, 1948.

Every year on 1st April, based on the performance of the Company, employees are given a hike in salary of 10%.

(7) The securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year: Nil

None of the Directors except Shri R. Baskaran and Shri B. Anandkumar [his son]; and his relatives, is in any way concerned or interested in this resolution.

The members are requested to consider and approve the proposal under Item No. 3 as special resolution for approving remuneration to Shri R. Baskaran, Chairman & Managing Director, aged 77 years, during his remaining tenure of office. His constant endeavor and drive to pursue excellence has enabled establishment of strong governance measures in the company and enhance its business opportunities not only in the country but also in foreign markets.

Item No. 4

The members of the company at the 25th Annual General Meeting held on 23rd September 2017, had approved the appointment and remuneration of Shri B. Anandkumar, Joint Managing Director for a period of five years from 1st October 2017 to 30th September 2022. However, as the remuneration was approved as per Section II of Part II of Schedule V in terms of inadequacy of profits, the resolution pertaining to remuneration will expire on 30th September 2020.

Now, as the term of his appointment continues till 30th September 2022, but the three years period for fixing of remuneration has come to an end, the Directors of the Company on the recommendation made by the Nomination and Remuneration Committee vide their meeting held on 28th August 2020 had approved the remuneration of Shri B. Anandkumar, Joint Managing Director, by considering his efforts and time spent by him for growing the business of the company, to revise his remuneration as set out in the Item no.4, for their remaining tenure from 1st October 2020 to 30th September 2022, subject to the approval of the members of the Company.

The detailed information required as per Section II (A) of Part II of Schedule V of the Companies Act, 2013 is provided hereunder:

I. GENERAL INFORMATION

- (i) Nature of Industry : Steel and Alloy Steel Foundry
- (ii) Commencement of Commercial Production : 1993
- (iii) Financial Performance based on given indicators : The Company earned Net Profit before tax of ₹.12.73 Crores for the Financial year 2019-20 and ₹.3.07 Crores earned upto 31st July 2020. The provisional result for the four months period ended on 31st July 2020 is reasonable.
- (iv) Export Performance : ₹.200.80 Crores for the financial year 2019-20
- (v) Foreign Investment / Collaborators : Nil

II. INFORMATION ABOUT SHRI B. ANANDKUMAR**(i) Background**

Shri B. Anandkumar is a Post Graduate in Business Administration, London. He looks after administration, sales and marketing functions. He looks after day to day operations of the company along with the Chairman & Managing Director. He is responsible for creating an Interactive Customer Relationship (ICR) System.

(ii) Past Remuneration

₹.2.77 Crores per annum.

(iii) Recognition / Award

The Company has won many Awards and recognitions under his able leadership.

(iv) Job Profile and his Suitability

By virtue of his long experience in the company, he is very suitable for the position and responsibility associated with the position.

(v) Remuneration Proposed**A. Salary:**

- (i) Salary of ₹.22,00,000/- per month proposed from 1st October 2020 to 30th September 2022. [₹.18,50,000/- per month from 1st October 2017 till 30th September 2020]
- (ii) Bonus of ₹.44,00,000/- per annum, being two months' salary proposed from 1st October 2020 to 30th September 2022 [₹.55,50,000/- per annum being three month's salary from 1st October 2017 till 30th September 2020]

B. Perquisites: [From 1st October 2017 to 30th September 2020] and [Proposed with no change in actual terms from 1st October 2020 to 30th September 2022]

- (i) Reimbursement of medical expenses incurred in India or abroad including hospitalization, nursing home and surgical charges for himself and his wife.
- (ii) Personal accidents and Mediciam insurance policy for self and his family, premium not to exceed ₹.1,00,000/- per annum.
- (iii) Leave Travel Assistance for self and family once in a year in accordance with the Company's Rules.
- (iv) Gratuity as per the company's policy.
- (v) Other benefits like, Provident Fund, Pension, Leave etc. as per the Rules of the Fund, Act and Company.

Provided the aggregate cost to the Company per annum on the perquisite mentioned under Clause (b) shall not exceed 10% of his Annual Salary. While no change is proposed in perquisites per se, due to change in Annual Salary from 1st October 2020 to 30th September 2022 the computation of 10% of Annual Salary varies for the said period.

C. Leave

As per Company's Rules

D. Termination of Appointment

Three months' notice on either side.

(vi) Comparative Remuneration Profile with Respect to Industry, Size of the Company, Profile of the Position and Person:

The remuneration package is very reasonable and has been designed to serve as a motivating package.

(vii) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. : None

III OTHER INFORMATION

- (i) Reasons for inadequate profits : The profits are considered inadequate because the remuneration set out in the Item 3 & 4 exceeds the ceiling of 10% of net profits calculated as per Section 198 of the Companies Act, 2013, prescribed for managerial Remuneration under Section 197(1) of the Companies Act, 2013. The overall ceiling of 11% of net profits has also exceeded as per the aforesaid provision.
- (ii) Steps taken or proposed to be taken for improvement : The company has taken various measures like opening of New Machine Shop (Unit-II) to meet our existing customers' needs and to increase machining production and is also contemplating value addition to its products, ability to deliver high quality yields, obtain higher price and repeat orders.
- (iii). Expectation in production and profits in measurable terms : Production and profit during the current fiscal are expected to increase in spite of COVID-19 impact over last year, unless there are any unforeseen events impacting growth of the business.

IV. DISCLOSURE AS PER SECTION 200 OF COMPANIES ACT, 2013**(1) Financial and operating performance of the company during the three preceding financial years:**

The Company has achieved Turnover and Net Profit during the three preceding year as follows:

(₹. in Lakhs)		
Financial Year	Sales	Profit After Tax
2017-18	17520.46	903.11
2018-19	21051.24	1324.68
2019-20	22630.48	1143.31

(2) Remuneration or commission drawn by Shri B. Anandkumar concerned in any other capacity or from any other company: Nil**(3) Professional qualifications and experience:**

Professional qualification: Nil

Experience: 25 years of experience in Steel Foundry Industry

(4) Relationship between remuneration and performance:

There is a significant relationship between remuneration scheme and employee performance in Anugraha Valve Castings Limited.

(5) Principle of proportionality of remuneration within the company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the company:

The executive directors are paid a remuneration based on their performance. The Non-Executive Directors are paid sitting fees only and no other form of remuneration. Performance of senior executives of the company are reviewed by the Managing Director and performance of other employees are reviewed in accordance with the Human Resources policy of the company.

(6) Whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference : Yes.

Remuneration policy for directors approved by Board and for employees remuneration approved by management as per Factories Act, 1948.

Every year on 1st April, based on the performance of the Company, employees are given a hike in salary of 10%.

(7) The securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year: Nil

None of the Directors except Shri B. Anandkumar and Shri R. Baskaran (his father); and his relatives, are in any way concerned or interested in this resolution.

The members are requested to consider and approve the proposal under Item No. 4 as special resolution for varying the salary of Shri B. Anandkumar, Joint Managing Director, aged 49 years, during his remaining tenure of office.

Item No. 5

Shri Ramani Vidhya Shankar [DIN: 00002498] was appointed as the Additional Director [in the category of Non-Executive Independent Director] of the Company in its Board Meeting held on 30th October 2020 with effect from 31st October 2020, in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 44 of the Articles of Association of the Company. He shall hold office up to the date of this Annual General Meeting. Nomination and Remuneration Committee of the Board had proposed his candidature for the office of Independent Director of the Company as per the provisions of the Companies Act, 2013.

The Brief Profile of Shri Ramani Vidhya Shankar is set out here. He has completed his graduation in Commerce and Law and is practising as an advocate in Bar Council of Tamilnadu and Puducherry. He is a partner legal firm - Ramani & Shankar since 1993. He holds directorship and committee positions in two listed companies as stated below:

Name of the Company	Date of Appointment	Committee Positions	Status as Committee Member/ Chairman
Pricol Limited	01/11/ 2016	a) Audit Committee	a) Member
		b) Nomination and Remuneration Committee	b) Chairman
		c) Stakeholders Relationship Committee	c) Chairman
		d) Investment and Borrowing Committee	d) Member
L.G.Balakrishnan & Bros Ltd.	30/ 05/ 2008	a) Nomination and Remuneration Committee	a) Chairman
		b) Stakeholders Relationship Committee	b) Member
		c) Corporate Social Responsibility Committee	c) Member

Shri Ramani Vidhya Shankar has furnished the consent for his appointment and declarations as required under the Companies Act, 2013 and Rules made there under. He has confirmed that there are no disciplinary or legal proceedings initiated or pending against him. The Nomination and Remuneration Committee at its meeting held on 30th October 2020 made the due diligence of declaration and undertaking and scrutinized the profile submitted by him and have found him to be fully qualified to hold the position as Independent Director of the Company, and therefore recommended his appointment to the Board of Directors. Based on the declaration received from him that he meets the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013, the Board is of the opinion that he fulfils the conditions for appointment as an Independent Director of the Company and is independent of the management.

Your Directors, therefore, recommend the appointment of Shri Ramani Vidhya Shankar [DIN: 00002498] as a Non Executive Independent Director of the Company, from 31st October 2020 to 30th October 2025 [first term], not liable to retire by rotation, and seek approval of members as set forth in Item No. 5 of this Notice.

Except Shri Ramani Vidhya Shankar and his relatives, none of the other Directors are, in any way, concerned or interested in this resolution.

Item No. 6

The Board of directors had observed that the Memorandum of Association of the Company was as per Companies Act, 1956 and should be amended to incorporate all the requirements of Table A of Schedule I of Companies Act, 2013 and that it is necessary to amend the clauses so that the existing objects can be aligned with only the existing and proposed businesses of the company. Hence the existing Memorandum of Association of the Company was amended in the manner stated in Item No. 6 of the notice.

The amended Memorandum of Association shall bind the company and all its members to the same extent as if they had been signed by the company and by each member, and contains covenants on its and their part to observe all its provisions. The copy of the amended Memorandum of Association shall be available for inspection at the venue of the meeting.

The members are requested to consider and approve the proposal stated in Item No. 6 as a special resolution. None of the directors are interested in this resolution.

Item No. 7

The Board of directors had observed that the Articles of Association of the Company was as per Companies Act, 1956 and should be amended to incorporate all the requirements of Table F of Schedule I of Companies Act, 2013 and should also provide for all the requirements prescribed under the said Act and rules made thereunder. Hence the existing Articles of Association of the Company were revamped completely to suit the requirements of the Companies Act, 2013. The amended Articles of Association shall act as the charter for governing the entire management of the affairs of the company and shall bind the company and all its members to the same extent as if they had been signed by the company and by each member, and contains covenants on its and their part to observe all its provisions. The copy of the amended Articles of Association shall be available for inspection at the venue of the meeting.

The members are requested to consider and approve the proposal stated in Item No. 7 as Special resolution. None of the directors are interested in this resolution.

By Order of the Board

Place: Coimbatore

Date: 28th August 2020

R. BASKARAN
Chairman & Managing Director
DIN: 00002341

I. INSTRUCTIONS FOR PARTICIPATING IN 28TH ANNUAL GENERAL MEETING

- (1) In view of the massive outbreak of the COVID-19 pandemic, social distancing is to be a pre-requisite pursuant to the General Circular No.20/2020 dated 05th May 2020, issued by the Ministry of Corporate Affairs. In order to conduct the meeting through physical attendance of the Members at the Annual General Meeting ["AGM"] venue, your directors have obtained approval from the local authorities – Head/Executive Officer of Arasur Village Panchayat vide their letter dated 19th October 2020. The Company shall ensure that social distancing norms and other safety measures are duly complied with at the time of meeting. We request the members to kindly cooperate with us to complete the formalities in this regard while attending the meeting. Route map to reach the venue of the meeting forms part of this report as **Annexure I**.
- (2) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING OF THE COMPANY IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER.** The proxy form duly stamped and executed, should be deposited at the Registered Office of the Company at least **forty-eight hours** before the time fixed for the commencement of the meeting. A person can act as proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and same person shall not act as Proxy for any other person or shareholder. A Proxy does not have the right to speak at the meeting and can vote only on a poll.
- (3) Corporate Members, intending to send their authorized representative, are requested to send certified true copy of the Board Resolution authorizing their representatives to attend, vote at the AGM.
- (4) In case of Joint Holders, the joint holder who is higher in the order of names will be entitled to vote.
- (5) Members / Proxies / Authorized representatives are requested to bring duly filled and signed attendance slip along with their copy of Annual Report to the AGM. Proxy Form along with Attendance slip forms part of this report as **Annexure II & Annexure III** respectively.
- (6) The Members will be allowed to pose questions during the course of the Meeting. The members are however requested to send their **queries in advance** on or before **19th November 2020** to **secretarial@anugrahavalve.com** so that they can be taken up at the meeting. Please note that opportunity to raise questions will be granted subject to availability of time at the meeting.
- (7) Those members who wish to be a **SPEAKER** at the meeting shall send the request in this regard to email id - **secretarial@anugrahavalve.com** on or before **19th November 2020**.
- (8) Notice of the meeting along with Annual Report have been sent by e-mail to the shareholders of the Company. Those shareholders who have not submitted their email ids shall receive the Annual reports through Post. Members may also note that the Notice of the 28th Annual General Meeting and the Annual Report for 2019-20 will be available on the Company's website at the weblink: <http://anugrahavalvecastings.com/annualreport/>.
- (9) As an Annexure to the Annual Report [**ANNEXURE NO. IV**], a form is being attached to all shareholders holding shares in physical/demat form who have not provided their email ids to the company requesting for updation of email id, Permanent Account Number and Bank account details, change in registered address along with documentary proof.

- (10) The statutory registers and other documents shall be available for inspection at the venue during the meeting.
- (11) Only those members of the company who are holding shares either in physical form or in dematerialized form, as on the cut-off date [Thursday, 19th November 2020] will be eligible to attend and exercise vote at the meeting. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
- (12) Members may note the helpline number of company – Mr. P. Senthilkumar, Sr. Manager – Accounts, Contact Number - 95855 40962, for seeking any clarification regarding the conduct of meeting.

II. TRANSFERS OF UNPAID AMOUNTS & SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Section 125 of the Companies Act, 2013 unclaimed dividends up to the Financial Year ended 31st March 2012 and shares thereto, have been transferred to the Investor Education and Protection Fund (IEPF). In terms of the Companies Act, 2013, any dividend remaining unclaimed for a period of seven years from the due date of transfer to the Unpaid Dividend account and shares in relation thereto are required to be transferred to the IEPF. Members shall not be able to claim any unpaid or unclaimed dividend transferred to IEPF from the Company thereafter. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in. The company has uploaded the details of unpaid and unclaimed amounts lying with the company as on date of last AGM i.e. 21st September 2019 on the website of the company at the web-link:- ['http://www.anugrahavalvecastings.com/unclaimed-dividends/](http://www.anugrahavalvecastings.com/unclaimed-dividends/). The Company has also uploaded details of shares transferred to IEPF pertaining to the financial year 2011-12 and the list of shares is available on the website of the company at the weblink:-["http://www.anugrahavalvecastings.com/iepf/](http://www.anugrahavalvecastings.com/iepf/). These details are also available on the website of the Ministry of Corporate Affairs at the web-link:- www.iepf.gov.in.

III. INFORMATION TO SHAREHOLDERS

1. Members who have not en-cashed their dividend warrants towards the Dividend for the year ended 31st March 2013 or thereafter are requested to write to the Company. In this regard the company had issued advertisements in Indian Express [English Edition] and Dhinamani [Tamil Edition] newspapers on 10th August 2020 and also sent a written communication to the respective shareholders for their necessary action.
2. Members are requested to note that the Unclaimed Dividend pertaining to interim dividend declared on 9th March 2013 and final dividend for the year ended 31st March 2013 declared at the Annual General Meeting held on 28th September 2013 were due to be transferred to the IEPF on 8th April 2020 and 28th October 2020 respectively. Due to COVID-19 disruptions the unclaimed amounts pertaining to interim dividends were also transferred along with final dividends only. This is in accordance with MCA General circular No. 16/2020 dated 13th April 2020 read with MCA General circular No. 35/2020 dated 29th September 2020.
3. The Company has extended the facility of electronic credit of dividend, whenever declared, directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (ECS)/ National Electronic Clearing Service (NECS)/Real Time Gross Settlement (RTGS)/ Direct Credit, etc. In the absence of electronic credit facility, the Company will issue cheques for distribution of declared dividend, if any. Members who wish to change such bank account details are therefore requested to advise the Company/RTA/DP about such change, with complete details of bank account.

IV. DEMATERIALISATION OF SHARES

1. Members holding shares in physical form are requested to get their shares dematerialised at the earliest to avoid any inconvenience in future while transferring the shares [ISIN: INE629Z01015] if any and consolidate their

holdings into one folio in case they hold shares under multiple folios in the identical order of names with the Company/RTA/DP. As at 31st March 2020, 89.83% of the total equity capital of the Company was held in dematerialised form with NSDL and CDSL. To seek guidance about the dematerialization procedure, members are requested to send e-mail to the Company or to RTA at e-mail: info@skdc-consultants.com, green@skdc-consultants.com.

2. The Members may also visit the website of the Depositories viz. (i) NSDL at the web-link: <https://nsdl.co.in/faqs/faq.php> or (ii) CDSL at the web-link: <https://www.cdslindia.com/investors/open-demat.aspx>, for understanding the dematerialisation process.
3. Members are requested to please quote their folio numbers/Client ID and DP ID in all correspondences to the Company or RTA or Depository Participants.
4. Every member, being an individual has a right to nominate any nominee of his choice. Members are requested to write to the registered office of the company or to the RTA for more information on nomination facility and/or to get a copy of Nomination form.

V. DATES OF BOOK CLOSURE

The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 19th November 2020 to Wednesday, 25th November 2020 (both days inclusive). The members eligible for participation in the meeting shall be as per those registered in the Register of Members maintained by the company or by the Depository Participant/Registrar and Share transfer agent of the company as at "cut-off date" being 25th November 2020.

Members seeking clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the date of the Meeting. This would enable the Company to compile the information and provide replies in the meeting.

For and on behalf of the Board

Place: Coimbatore
Date: 28th August 2020

R. BASKARAN
Chairman & Managing Director
DIN: 00002341

Anugraha Valve Castings Limited

28th Annual Report

BOARD'S REPORT TO THE SHAREHOLDERS

1) TOTHE MEMBERS

Your Directors take pleasure in presenting 28th Annual Report and the Company's Standalone Audited Financial Statement for the financial year ended 31st March 2020.

2) FINANCIAL HIGHLIGHTS

(₹. in Lakhs)		
Details	Year ended 31 st March 2020	Year ended 31 st March 2019
Sales & Other Income	25256.78	23284.71
Profit before Finance Cost and depreciation	2702.08	1851.98
Less: Finance Cost	536.14	50.02
Depreciation	893.06	745.97
Profit after finance cost and depreciation	1272.88	1055.99
Less: Provision for		
Current Tax	95.55	(217.29)
Deferred Tax	34.02	(51.39)
Profit after Tax	1143.31	1324.67
Surplus brought forward from previous year	15597.44	14439.89
Less: Transfer to General Reserve	114.33	132.46
Dividend for FY 2018-19	70.53	0.00
Dividend - Interim	70.53	0.00
Corporate Dividend Tax	29.00	0.00
CSR Expenditure	0.00	34.66
Balance carried to Balance Sheet	16456.36	15597.44

3) OPERATIONS

During the Financial year 2019-20, your Company has registered a turnover of ₹.226.30 Crores which has increased by 7.50% compared to ₹.210.51 Crores in the previous year and earned a Profit before tax of ₹.11.43 Crores as against ₹.13.24 Crores in the previous financial year.

Cash and Cash Equivalent as at 31st March 2020 was at ₹.5.95 Crores. The Company was able to continue its sustained efforts in judicious management of working capital, receivables, inventories and other working capital parameters through regular monitoring.

4) THE STATE OF AFFAIRS OF THE COMPANY

The Company has adopted various business excellence models like Quality Management Systems (QMS), Environmental Management System (EMS), Occupational Health & Safety (OH&S) and the Company is committed to take efforts towards continuous improvement in Quality and operational efficiency. During the year there has been no change in the nature of its business.

5) FUTURE PROSPECTS

During the first quarter of the Financial Year 2019-20, the global economic environment was on a positive growth path. The company's operation is closely linked to chemical and refinery industries and depends on inflow of orders. The first quarter's performance of the year was good. The prevailing uncertainties were challenging, which called for much higher level of efficiency and preparedness for participants in the market.

6) DIVIDEND

Based on the Company's Performance for the nine months period from April 2019 to Dec 2019, the Directors had recommended an Interim dividend of ₹.2.00 per equity share (20% on 35,26,504 Equity Shares) on 10th March 2020.

No final dividend is proposed by the Board of Directors for the Financial year ended 31st March 2020.

7) TRANSFERTO RESERVES

The Company has transferred ₹.1.14 Crores to the general reserve [amounting to 10% of the profits after tax]. After appropriation for dividends and corporate dividend tax during FY 2019-20, an amount of ₹.8.59 Crores was proposed to be retained as surplus in profit and loss account.

8) PARTICULARS OF LOANS, GUARANTEES, SECURITIES OR INVESTMENTS

Loans granted by the Company have been disclosed in the financial statements of the Company in Note No.10 of Notes forming part of financial statements as per Section 186(4) of Companies Act, 2013. Register as prescribed under Section 186(9) has been duly maintained by the Company in this regard.

During the year the Company has not issued any Loans, Guarantee, Security or made any Investment covered under the provisions of Section 186(2) of the Companies Act, 2013.

9) TRANSFERTO INVESTOR EDUCATION AND PROTECTION FUND

As per Section 125 of the Companies Act, 2013, after completion of seven years from the date of transfer to unpaid dividend account, the unclaimed dividend amount has to be transferred to the Investor Education and Protection Fund ("IEPF"). Accordingly, the unclaimed dividend amount for the financial year 2011-12 became due for transfer to IEPF and an amount of ₹.1,79,000/- was transferred to IEPF Account on 22nd October 2019. The shares of two shareholders were transferred duly to IEPF Account on 4th November 2019.

Pursuant to the provisions of the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 the Company has already filed the necessary form and uploaded the details of Shares and unpaid & unclaimed amounts lying with the Company, as on the date of last AGM (i.e. 21st September 2019), with the IEPF Authority, MCA.

10) CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

The Company's Corporate Social Responsibility (CSR) activities / projects are focused towards education, health care, sustainable livelihood, basic infrastructure development and safe drinking water in line with the CSR policy of your company. The CSR policy may be accessed at the Company's website at the link: <http://www.anugraha-valvecastings.com/csr/>

The Company would also undertake other need based social initiatives in compliance with Schedule VII to the Companies Act, 2013.

The "Annual Report on CSR Activities" is annexed to the Board's Report as **ANNEXURE NO.V**.

11) BUSINESS RISK MANAGEMENT POLICY

Board has formulated and implemented risk management policy for the Company which enables identification of elements of risk, which may threaten the existence of the company. Procedures have been put in place to enable risk assessment and ascertain whether minimization procedures are being followed by the Company and steps are taken by the Board to mitigate these risks. The company has also formulated a separate hedging policy for mitigating foreign exchange risks.

12) DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013 your Directors state that:

- (i) In the preparation of the Annual Financial Statements for the year ended 31st March 2020, the applicable accounting standards have been followed and that there were no material departures;
- (ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended 31st March 2020 and the profits of the Company for that year;
- (iii) They have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) They have prepared the annual accounts on a going concern basis.
- (v) They have devised proper systems to ensure compliance with the provisions of all Applicable Laws and that such system were adequate and operating effectively.
- (vi) They have ensured compliance with the mandatory Secretarial Standards.

13) CHANGES IN BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL**(i) Directors:**

There were no changes in Board of Directors during the financial year 2019-20.

In terms of Section 152(6) of the Companies Act 2013, Shri Ajay J Shah, Non-Executive Director proposes to retire by rotation and being eligible, seeks re-appointment at the ensuing Annual General Meeting of the company.

(ii) Key Managerial Personnel

Shri R. Baskaran, Chairman & Managing Director and Shri B. Anandkumar, Joint Managing Director continued to be the Key managerial personnel of the Company.

There are no changes in the Key Managerial Personnel of the Company during the financial year 2019-20.

14) DECLARATION BY INDEPENDENT DIRECTORS

In accordance with Section 149 (7) of the Companies Act 2013, Shri R.P. Joshua and Shri S. Ponraj, Independent Directors had given a written declaration to the Company confirming that they meet the criteria of independence as mentioned under the Act.

15) REMUNERATION POLICY AND CRITERIA FOR SELECTION AND TERMS FOR APPOINTMENT, REMOVAL OR RETIREMENT OF DIRECTORS

The Company's 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 may be accessed in the Company's website at <http://www.anugrahavalvecastings.com/nomination-remuneration-policy/>

16) PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Particulars of employees pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) & Rule 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, is provided below.

Names of the top ten employees in terms of remuneration drawn and their details [including employees drawing more than ₹.1,02,00,000/- (One Crore and two Lakhs) per annum]:

			(₹. In Lakhs)
Sl. No.	Name of Employee	Designation	Gross Remuneration Per Annum
1	Mr. R. Baskaran	Chairman & Managing Director	325.00
2	Mr. B. Anandkumar	Joint Managing Director	277.50
3	Mr. P. Moorthi	General Manager (QA)	21.86
4	Mr. M. Sivakumar	General Manager (HR)	20.23
5	Mr. B. Unnikrishnan	General Manager (Machine Shop)	19.09
6	Mr. V. Arul	Senior Manager (Methoding)	18.34
7	Mr. P. Kamaraj	General Manager (Finance & Accounts)	13.50
8	Mr. S. Amaresh	Assistant General Manager (Moulding)	10.50
9	Mr. K. Arulprakasam	Deputy General Manager (Planning)	9.66
10	Mr. K. KingsLal	Senior Manager (CNC)	9.11

Statement with details of employees including other related disclosures has been uploaded in the website of the Company under the web-link: www.anugrahavalvecastings.com/employees-disclosures/

17) ANNUAL RETURN

The extract of Annual Return in Form MGT 9, pursuant to the provisions of Section 92(3) read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 may be accessed at the Company's website at the link: <http://www.anugrahavalvecastings.com/MGT-9/>

18) MEETINGS AND ATTENDANCE OF BOARD AND COMMITTEES

(i) BOARD MEETINGS CONDUCTED DURING THE FINANCIAL YEAR 2019-20

The following **5 Meetings** of the Board of Directors were held during the Financial Year 2019-20;

Name of the Director	Total Number of Meetings held	Number of Meetings Attended	Date of Meeting				
			08/05/2019	27/07/2019	21/09/2019	11/01/2020	10/03/2020
Shri R. Baskaran	5	5	✓	✓	✓	✓	✓
Shri B. Anandkumar	5	5	✓	✓	✓	✓	✓
Shri R.P. Joshua	5	4	✓	✓	✓	✓	X
Shri S. Ponraj	5	4	✓	✓	✓	✓	X
Shri Ramnath Dureja	5	4	✓	✓	✓	✓	X
Shri Ajay J Shah	5	3	✓	X	✓	✓	X

The intervening gap between two Board meetings did not exceed the prescribed gap of 120 days as per provisions of the Companies Act, 2013.

Four Board meetings were chaired by Shri R. P. Joshua and the fifth meeting was chaired by Shri R. Baskaran, as leave of absence was granted to Shri R. P. Joshua.

The Board of directors passed resolutions by circulation on 23rd April 2019, 5th November 2019, 20th November 2019 and 7th February 2020 with unanimous consent from all directors.

(ii) MEETING OF INDEPENDENT DIRECTORS

A separate meeting of Independent directors was held on 11th January 2020.

(iii) AUDIT COMMITTEE & ITS MEETINGS

The Audit Committee met Four (4) times during the year. The attendance of members as under:

Name of the Director	Total Number of Meetings held	Number of Meetings Attended	Date of Meeting			
			08/05/2019	27/07/2019	21/09/2019	11/01/2020
Shri B. Anandkumar	4	4	✓	✓	✓	✓
Shri R.P. Joshua [Chairman]	4	4	✓	✓	✓	✓
Shri S. Ponraj	4	4	✓	✓	✓	✓

There were no recommendations of Audit Committee which were not accepted by the Board of directors.

(iv) NOMINATION AND REMUNERATION COMMITTEE & ITS MEETINGS

The Nomination and Remuneration Committee met once during the year. The attendance of members as under:

Name of the Director	Total Number of Meetings held	Number of Meetings Attended	Date of Meeting	
			27/07/2019	11/01/2020
Shri S. Ponraj	1	1	✓	✓
Shri R.P. Joshua [Chairman]	1	1	✓	✓
Shri Ramnath Dureja	1	1	✓	✓

(v) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE & ITS MEETINGS

The Corporate Social Responsibility Committee met Two (2) times during the year. The attendance of members as under:

Name of the Director	Total Number of Meetings held	Number of Meetings Attended	Date of Meeting	
			27/07/2019	11/01/2020
Shri R. Baskaran	2	2	✓	✓
Shri S. Ponraj [Chairman]	2	2	✓	✓
Shri Ajay J Shah	2	1	X	✓

19) INTERNAL AUDIT

The company has appointed CA SSS. Arul Mozhi Varman, B.Com., FCA., DISA (ICA), Chartered Accountant, Sivakasi as internal auditors. Periodic reports are submitted by the internal auditors and the same is reviewed by the Audit Committee and noted by the Board of directors of the company. Timely action is taken to enhance internal control mechanisms in the company.

20) INTERNAL FINANCIAL CONTROLS WITH RESPECT TO FINANCIAL STATEMENTS:

The Audit Committee evaluates the Internal Financial Controls which provide a reasonable assurance in respect of providing financial and operation information, complying with applicable statutes and policies, safeguarding of assets, prevention and detection of frauds, accuracy and completeness of accounting records. Based on the reports of the Internal Auditor no material reportable deficiencies or significant weaknesses were found in the functioning of the internal financial controls.

Further, the Board annually reviews the effectiveness of the Company's overall Internal Control Systems in place. The Board of Directors confirm that the Internal Financial Controls are adequate with respect to the financial statements of the Company. A report of Statutory Auditors pursuant to Section 143 (3) (i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditor's Report.

During the financial year ended 31st March 2020, no frauds were reported by the Company or by the auditors under Section 143(12) of the Companies Act, 2013.

21) STATUTORY AUDITOR

CA R. Maheswaran, Statutory auditor of the company is holding office from the 25th Annual General Meeting held on 23rd September 2017 till the conclusion of the 30th Annual General Meeting. The Independent Auditor's Report issued by the aforesaid Auditors on the financial statement of the Company is part of the Board's Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Statutory Auditor in his Report.

22) MAINTENANCE OF COST RECORDS:

Pursuant to the Provisions of Rule 4 of Companies (Cost Records and Audit) Rules, 2014 of Companies Act, 2013, the Cost Audit is not mandatory for the Company as the Company is having revenues from exports, in foreign exchange, which exceeds 75% of total revenue. As per Rule 5 of Companies (Cost Records and Audit) Rules, 2014, Cost Records are being maintained and for this purpose the Company has appointed M/s. Ramakrishnan & Co., Cost Accountants as Cost Consultant of the Company.

23) EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITOR IN HIS REPORT

There were no qualifications, reservations or adverse remarks made by the Statutory Auditor in his report. Therefore no explanation or comments are provided in this regard.

24) MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY DURING THE FINANCIAL YEAR ENDED 31st MARCH 2020 OR BETWEEN THE END OF THE FINANCIAL YEAR ON 31st MARCH 2020 TO THE DATE OF THIS REPORT

During the COVID-19 related lockdown period from 23rd March 2020 to 5th May 2020 (As per Government order) our company had to close its operations, however salaries and wages were paid to all the employees. We commenced our operations from 6th May 2020. While COVID-19 has significantly impacted various businesses and the economy, we have been resilient and have been able to retain our existing customers and orders without any impact on our production. There has been no impact on our ability to deliver our financial commitments.

No material changes have occurred and commitments incurred which has affected the financial position of the company during the financial year ended 31st March 2020 or would affect the financial position of the Company between the end of the financial year on 31st March 2020 to the date of this report.

25) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of Energy, Technology Absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **ANNEXURE NO.VI** and is attached to this report.

26) PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Pursuant to Section 134 (3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules 2014, all related party transactions that were made on arm's length basis and were in the ordinary course of the business during the financial year and were duly approved by the Audit Committee and Board of directors. There were no materially significant related party transactions made by the company with Promoters or Relatives of Promoters or which have potential conflict with interest of the Company at large. Hence there are no transactions to be reported in Form AOC 2.

Details of transactions with Related parties as per provisions of Accounting Standard 18 have been disclosed in Note 26 of the Notes forming part of the financial statements.

27) SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

28) DEPOSITS

The Company has neither accepted nor renewed any deposits from public during the financial year ended 31st March 2020. The company has not accepted any deposits which are not in compliance of Chapter V of Companies Act, 2013.

29) SHARE CAPITAL

The paid up Equity Share Capital as on 31st March 2020 was ₹.3,52,65,040/- (divided into 35,26,504 Equity shares of ₹.10/- each). During the said financial year, the Company had,

- (i) not issued shares or securities;
- (ii) not granted stock option or sweat equity to the employees;
- (iii) not bought back any of its securities;
- (iv) not issued any Bonus Shares.

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

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a stringent policy and formed Internal Complaints Committee for prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act, 2013 and the Rules there under.

The following is a summary of sexual harassment complaints received by the Committee and disposed off during the year 2019-20:

No. of complaints received	:	Nil
No of complaints resolved	:	Nil

31) HUMAN RESOURCES

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests in attracting, retaining and developing talent on an ongoing basis. A number of training programs were conducted which were people centric and a few are currently underway. Your Company's thrust is on the promotion of talent internally through rotation and job enlargement of scope of job in line with performance capabilities of employees.

32) DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There were no significant or material orders passed by any Regulators, Courts or Tribunal during the financial year ended 31st March 2020 which may impact the going concern status of the company or its future operations.

33) ACKNOWLEDGEMENTS

Your Directors would like to express their appreciation for the co-operation and assistance received from the Government authorities, the financial institutions, banks, vendors, customers and shareholders. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the entire employees.

For and on behalf of the Board

Place: Coimbatore

Date: 28th August 2020

R. BASKARAN

Chairman & Managing Director

DIN: 00002341

**ANNEXURE IV
FORM FOR COLLECTION OF INFORMATION FROM SHAREHOLDERS**

To
Anugraha Valve Castings Limited,
S.F. No. 391/2, Sengoda Gounden Pudur,
Arasur Village,
Coimbatore - 641 407, TN, India

Folio No. / DP ID / Client ID :

NAME OF FIRST/SOLE SHAREHOLDER :

JOINT SHAREHOLDER 1 :

JOINT SHAREHOLDER 2 :

PAN OF FIRST / SOLE SHAREHOLDER (Attach self-attested copy)

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

PAN OF JOINT SHAREHOLDER 1

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

PAN OF JOINT SHAREHOLDER 2

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

EMAIL ID OF THE SOLE/FIRST SHAREHOLDER

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

BANK NAME, BRANCH & ADDRESS (FOR SOLE / FIRST SHAREHOLDER)

PIN																			

BANK ACCOUNT NUMBER

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

(Attach original Cancelled Cheque with your name printed on the Cheque or copy of Bank Passbook attested by your Bank Manager with his seal and date)

BANK ACCOUNT TYPE (Tick in appropriate boxes)

SB	<input type="checkbox"/>	CA	<input type="checkbox"/>	CC	<input type="checkbox"/>	OD	<input type="checkbox"/>
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MICR CODE (9 Digits)

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IFSC

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Mobile No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I hereby declare that the particulars given above are correct and complete.

Yours faithfully,

Date :

Place :

Signature of the First / Sole Shareholder

ANNEXURE V**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES****1. Brief outline of the Company's CSR Policy including overview of projects or programs proposed to be under-taken and a reference to the web-link to the CSR policy and Projects / Programs**

The CSR Activities of the company shall be undertaken as far as may be possible for the benefit of people in the local areas, for the purpose of promoting the broad social welfare and development of the environment and wellbeing of people. Local areas need not be confined to be areas in and around the factories and units of the Company and it could be extended to cover all areas within the State of Tamilnadu without prejudice to accidental or incidental benefit of such activities accruing to people of other States of India. While undertaking CSR Activities the Company shall ensure that there is no discrimination on the basis of caste, creed, rank, race, religion or any other such narrow factors between the beneficiaries who are entitled to avail the benefits of the CSR Activities. The target segment for receiving benefits of any CSR Activity shall be the under privileged and economically weaker sections of the society. No part of the amount earmarked / allocated for undertaking CSR Activities shall, directly or indirectly, be of any benefit to any political parties or to their cadres exclusively.

The CSR activities to be pursued by the company are intended to be confined initially to the areas broadly specified hereunder.

- (i) Education, skill development of rural uneducated youth.
- (ii) Health care.
- (iii) Sustainable Livelihood.
- (iv) Basic Infrastructure Development.
- (v) Other Thrust Areas like promoting hospitals for the underprivileged and economically weaker sections of the society and provide low cost housing aimed at slum redevelopment or rehabilitation rural development and conservation of natural resources.

The Company's CSR Policy has been uploaded in the Website of the Company under the Web link, <http://www.anugrahavalvecastings.com/csr/>

2. The composition of the CSR Committee:

The Board of Directors have constituted a CSR Committee in accordance with the requirements of Section 135(1) of the Companies Act, 2013, which currently comprises of:

Shri R. Baskaran, Chairman & Managing Director
Shri S. Ponraj, Independent Director
Shri Ajay J Shah, Non-Executive Director

Shri S. Ponraj was the Chairman of the CSR committee. The Committee met twice during the financial year 2019-20.

3. Average Net Profit of the Company for the Last Three Financial Years

Average Net Profit: ₹. 1164.92 Lakhs

Note:

The above net profit has been calculated in accordance with the provisions of Section 198 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

4. Prescribed CSR expenditure (2% of Average Net Profit as indicated in Point No. 3):

The prescribed CSR expenditure for Financial Year 2019-20 was ₹.23.30 Lakhs. However, the Company spent ₹. 13.93 Lakhs as CSR expenditure.

5. Details of CSR spent during FY 2019-20:

(a) Total amount to be spent : ₹.23.30 Lakhs

(b) Amount unspent, if any : ₹.9.37 Lakhs

(c) Manner in which the amount was spent during Financial Year 2019-20 is detailed below :

(₹. In Lakhs)									
SL No.	CSR Projects or Activity Identified	Sector in which the project is covered	Projects or Programs 1) Local area or other, 2) Specify the state and District where the projects or programs was undertaken	Amount outlay (Budget) project or Program Wise	Amount spent on the projects or Programs Sub heads:		Cumulative expenditure upto the reporting period	Amount Spent	
					Direct Expenditure on projects or Programs	Overheads		Direct	Implementing Agency
1.	Eradicating hunger, poverty and malnutrition	Children Welfare Expenses	Coimbatore, Tamilnadu	4.80	4.32	-	31.57 (Since 2015-16)	Direct	-
		Public Welfare Expenses	Tamilnadu	-	-	-		Direct	-
2.	Making available safe Drinking Water	Public Welfare Expenses	Arasur Village, Coimbatore, Tamilnadu	2.00	1.85	-	9.00 (Since 2015-16)	Direct	-
3.	Promoting Education	Education Fee	Tamilnadu	16.50	7.76	-	84.35 (Since 2015-16)	Direct	-
TOTAL				23.30	13.93	-	124.92		-

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount

The company had proposed to commence project for undertaking spend of CSR funds however as the viability of the project could not be successfully ascertained, there were unspent amounts to the extent of ₹.9.37 lakhs during FY 2019-20. The company shall continue to undertake efforts towards ensuring increased CSR spending.

7. Responsibility Statement by the Corporate Social Responsibility Committee

We hereby confirm that implementation and monitoring of the CSR Policy are in compliance with the CSR objectives and CSR Policy of the Company.

For and on behalf of the Board

For CSR Committee of the Board

R. BASKARAN
Chairman & Managing Director
DIN :00002341

S. PONRAJ
Chairman of CSR Committee
DIN: 00045580

Place: Coimbatore
Date: 28th August 2020

ANNEXURE VI

(A) CONSERVATION OF ENERGY :

(i) The steps taken or impact on conservation of energy:

The company continues its efforts to improve energy conservation.

(ii) The steps taken by the company for utilising alternate sources of energy : NIL

(iii) The capital investment on energy conservation equipments : NIL

Report on the Audit of the Financial Statements

Disclosure of Particulars with respect to Conservation of Energy.

I. POWER AND FUEL CONSUMPTION

ELECTRICITY		2019-20	2018-19
a) Purchased			
No. of Units		21775796	23043466
Total amount (₹)		186741640	193006776
Rate/Unit (₹)		8.58	8.36
b) Own Generation			
i. Through diesel Generator Unit			
No. of Units		317320	294657
Units per Ltr. of diesel oil.		3.32	3.29
Cost/units (₹)		19.09	21.35
ii. Through Wind turbine generator			
No. of Units		10576832	10025774
Total amount (₹)		69668277	65944091
Rate/Unit (₹)		6.59	6.58
iii. Through Solar Plant			
No. of Units		210694	254192
Total amount (₹)		1337908	1614118
Rate/Unit (₹)		6.35	6.35

II. CONSUMPTION PER UNIT OF PRODUCTION

Sl. No.	Products	Standards (if any)	2019-20	2018-19
1.	Total Electricity Consumption (in Units)	Nil	22093116	23338123
2.	Total Quantity manufactured (in Kgs.)	Nil	5664991	6278365
3.	Electricity Consumption (Per Kg.)	Nil	3.90	3.72

B. TECHNOLOGY ABSORPTION

(i)	The efforts made towards technology absorption	:	NIL
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	:	Not Applicable
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	:	Not Applicable
(iv)	The details of technology imported	:	Not Applicable
(v)	The year of import;	:	Not Applicable
(vi)	Whether the technology been fully absorbed	:	Not Applicable
(vii)	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	:	Not Applicable
(viii)	The expenditure incurred on Research and Development	:	Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1.	The Foreign Exchange earned in terms of actual inflows during the year (₹.in Lakhs)	₹.19451.63
2.	The Foreign Exchange outgo during the year in terms of actual outflows (₹.in lakhs).	₹.1804.51

For and on behalf of the Board

Place: Coimbatore
Date: 28th August 2020

R. BASKARAN
Chairman & Managing Director
DIN: 00002341

INDEPENDENT AUDITOR'S REPORT**To the members of Anugraha Valve Castings Limited****Opinion:**

I have audited the financial statements of **Anugraha Valve Castings Limited.**, ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss, Statement of changes in equity, the Cash Flow Statement for the year ended, and notes forming part of the financial statement including a summary of significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2020, its Profit, Changes in equity and its cash flows for the year ended on that date.

Basis for opinion

I have conducted my audit in accordance with the **Standards on Auditing** as specified U/s. 143 (10) of the Companies Act, 2013 ["The Act"]. My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the Ethical requirements that are relevant to my audit of the financial statements under the provisions of the Act and the Rules there under, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

We draw attention to Other Notes No 28 (II) to the financial statements for the year ended 31st March 2020, which describes management's evaluation of Covid-19 impact on the future business operations and future cash flows of the company and its consequential effects on the carrying value of its assets as at 31st March 2020. In view of the uncertain economic conditions, the management's evaluation of the impact on the subsequent periods is highly dependent upon conditions as they evolve. My opinion is not modified in respect of this matter.

Key audit matters

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

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of

assurance conclusion thereon.

In connection with my audit of the financial statements, my 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 my knowledge obtained during the course of my audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the 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, changes in equity and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified u/s 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 Responsibility for the Audit of the financial statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 over ride of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(l) of the Companies Act, 2013, I am also responsible for expressing my opinion on whether the company 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 Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my Independent auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my Independent auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my 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, 2016 ("the order"), issued by the Central Government of India in terms of Section 143(11) of the Act, I give in the "**Annexure - A**" a statement on the matters specified in Paragraphs 3 and 4 of the order, to the extent applicable.
2. As required by Section 143 (3) of the Act, I report that:
 - a. I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
 - b. In my opinion, proper books of accounts as required by law have been kept by the company so far as it appears from my examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In my opinion, the aforesaid standalone financial statement comply with the Accounting Standards specified u/s. 133 of the Act, read with Rule 7 of the companies (Accounts) Rule, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 my separate report in "**Annexure - B**".
- g. With respect to the matters to be included in the Auditor's Report in accordance with Section 197(16) of the Act, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by Section 197 of the Companies Act 2013 with respect to Part II of Schedule V 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) Rule, 2014, in my opinion and to the best of my information and accordance to the explanations given to me:
- (i) The company did not have any pending litigation which would impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Coimbatore
Date: 28th August 2020

CA R. MAHESWARAN
Chartered Accountant
Membership No. 028062
UDIN : 20028062AAAADY9744

Annexure "A" to the Independent Auditor's Report

Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of my report to the members of Anugraha Valve Castings Limited of even date)

1. In respect of the Company's fixed assets:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a program of verification to cover all the items of fixed assets in a phased manner, which, in my opinion, is reasonable having regard to the size of the Company and the nature of its assets.

Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to me, no material discrepancies were noticed on such verification.

- c) According to the information and explanations given to me, the records examined by me and based on the examination of the conveyance deeds provided to me, I report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
2. The inventory has been physically verified by the management during the year. In my opinion, the frequency of such verification is reasonable. According to the information and explanations given to me and as examined by me, no material discrepancies were noticed on such verification.
3. According to information and explanation given to me, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013 during the financial year. Accordingly, paragraph 3 (iii) of the order is not applicable. Loans provided in earlier financial years have been duly recorded in the Register as prescribed under Section 189 of the Act.
4. In my opinion and according to information and explanation given to me, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of Section 185 or Section 186 applies.
5. In my opinion and according to the information and explanations given to me, the company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.
6. I have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and am of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, I have not carried out a detailed examination of the same.
7. In respect of statutory dues:
- a) According to the information and explanations given to me and on the basis of my examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income - tax, goods and service tax, duty of customs, duty of excise, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.
 - b) According to the information and explanations given to me, no undisputed amounts payable in respect of income-tax, goods and service tax, duty of customs, duty of excise, cess and other material statutory dues were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.

8. In my opinion and according to the information and explanations given to me, the company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.
9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans in relation to the aforesaid purposes during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.
10. To the best of my knowledge and according to the information and explanations given to me, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. The managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by section 197 of the Companies Act 2013 with respect to schedule V of the Act.
12. The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.
13. According to the information and explanations given to me and based on my examination of the records of the company, transactions with the related parties are in compliance with Section 177 and Section 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to me and based on my examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.
15. According to the information and explanations given to me and based on my examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.
16. According to the information and explanations given to me and based on my examination of the records of the company, the company is not required to be registered under Section 45 - IA of the Reserve Bank of India Act 1934.

Place: Coimbatore
Date: 28th August 2020

CA R. MAHESWARAN
Chartered Accountant
Membership No. 028062
UDIN : 20028062AAAADY9744

Annexure “B” to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on other legal and regulatory requirements' section of my report to the Members of Anugraha Valve Castings Limited of even date)

Report on the internal financial controls over financial reporting under clause (i) of sub – section 3 of section 143 of the Companies Act, 2013 (“the Act”)

I have audited the internal financial controls over financial reporting of Anugraha Valve Castings Limited (“the Company”) as at 31st March 2020, in conjunction with my audit of the 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, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' responsibility

My responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143 (10) of the Companies Act, 2013, 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 were established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My 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 judgments, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial control system over financial reporting.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in

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

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 of 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 my opinion and according to the information and explanations given to me, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control 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.

Place: Coimbatore
Date: 28th August 2020

CA R. MAHESWARAN
Chartered Accountant
Membership No.: 028062
UDIN : 20028062AAAADY9744

Anugraha Valve Castings Limited

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BALANCE SHEET AS AT 31ST MARCH 2020

(₹ in Lakhs)

Particulars	Note No.	Figures as at the end of the Current reporting period 31 st March 2020	Figures as at the end of the Previous reporting period 31 st March 2019
I. EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity Share Capital	1	352.65	352.65
(b) Reserves and Surplus	2	18818.80	17845.55
(2) LIABILITIES			
(2.1) Non - Current Liabilities			
(a) Long Term Borrowings	3	1021.24	908.69
(b) Deferred Tax Liabilities (Net)	4	1034.31	1000.28
(2.2) Current Liabilities			
(a) Short - Term Borrowings	5	3472.86	2808.99
(b) Trade Payables			
(i) Total Outstanding dues of micro enterprises and small enterprises and	6	706.04	174.29
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		465.95	712.91
(c) Other Current Liabilities	7	737.33	236.78
(d) Short - Term Provisions	8	526.38	795.54
TOTAL EQUITY AND LIABILITY		27135.56	24835.68
II. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment			
(i) Tangible Asset	9	13957.66	9313.24
(ii) Capital Work In Progress	9	96.08	3127.57
(b) Long Term Loans and Advances	10	932.30	306.66
(2) Current Assets			
(a) Inventories	11	3870.00	4383.33
(b) Trade Receivables	12	5692.56	4851.30
(c) Cash and Cash Equivalents	13	594.60	384.39
(d) Short - Term Loans and Advances	14	1.14	556.40
(e) Other Current Assets	15	1991.22	912.79
TOTAL ASSETS		27135.56	24835.68

- See accompanying notes to financial statements

To be read with my report annexed herewith

R. BASKARAN
Chairman & Managing Director
DIN : 00002341

B. ANANDKUMAR
Joint Managing Director
DIN : 00002339

CA R. MAHESWARAN
Chartered Accountant
M. No.: 028062

Place: Coimbatore
Date: 28th August 2020

Anugraha Valve Castings Limited

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

(₹. in Lakhs)

Particulars	Note No.	Figures as at the end of the Current reporting period 31 st March 2020	Figures as at the end of the Previous reporting period 31 st March 2019
REVENUE			
I. Revenue from Operations			
Sale of products	16	22630.48	21051.24
Other operating revenue	16	1714.22	1622.50
		24344.70	22673.74
II. Other Income	17	912.08	610.97
III. Total Revenue (I+II)		25256.78	23284.71
EXPENSES			
Cost of materials consumed	18	6113.48	6593.77
Other manufacturing expenses	19	10161.62	10073.16
Changes in stock - WIP		506.69	(606.19)
Employee benefits expense	20	4054.76	3684.75
Finance costs	21	536.14	50.02
Depreciation	09	893.06	745.97
Other expenses	22	1718.15	1687.23
IV. Total Expenses		23983.90	22228.71
V. Profit Before Exceptional and Extraordinary Items & Tax (III-IV)		1272.88	1056.00
VI. Exceptional Items		0.00	0.00
VII. Profit Before Extraordinary Items & Tax (V-VI)		1272.88	1056.00
VIII. Extraordinary Items		0.00	0.00
IX. Profit before Tax (PBT) (VII-VIII)		1272.88	1056.00
X. Tax Expense of Continuing Operations:			
Current Tax	23	95.55	(217.29)
Deferred Tax		34.02	(51.39)
XI. Profit / (loss) after Tax for the period continuing operations (PAT) (IX-X)		1143.31	1324.68
XII. Earnings per equity share- Basic & Diluted		32.42	37.56

- See accompanying notes to financial statements

To be read with my report annexed herewith

R. BASKARAN
Chairman & Managing Director
DIN : 00002341

B. ANANDKUMAR
Joint Managing Director
DIN : 00002339

CA R. MAHESWARAN
Chartered Accountant
M. No.: 028062

Place: Coimbatore
Date: 28th August 2020

Anugraha Valve Castings Limited

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CASH FLOW STATEMENT AS PER ACCOUNTING STANDARD 3

(₹.in Lakhs)

Particulars	Figures as at the end of the Current reporting period 31 st March 2020	Figures as at the end of the Previous reporting period 31 st March 2019
A. Cash Flow from Operating Activities		
Net Profit before Tax	1272.88	1056.00
Adjustment for Depreciation	893.06	745.97
Finance Cost	536.14	50.02
(Profit)/Loss on Sale of Property, Plant and Equipment	9.45	18.18
CSR Expenditure	0.00	(34.66)
Operating Profit before working capital changes	2711.53	1835.51
(Increase) / Decrease in Inventories	513.33	(1173.69)
(Increase) / Decrease in Sundry Debtors	(841.24)	81.47
(Increase) / Decrease in Loans and Advances	555.25	(555.71)
(Increase) / Decrease in Other Current Asset	(78.43)	551.08
(Increase) / Decrease in Trade Payables	284.79	417.13
Increase / (Decrease) in Current Liabilities	500.55	37.01
Increase / (Decrease) in Provisions	(269.15)	(36.15)
Cash from Operating Activities	3376.63	1156.65
Less:		
Tax Relating to Current Year	224.00	138.00
MAT Credit Entitlement	(218.00)	0.00
Tax Relating to earlier years	89.55	(355.29)
Net Cash from Operating Activities	3281.08	1373.94
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	(2576.86)	(4328.33)
Proceeds from Sale of Property, Plant and Equipment	61.43	11.15
(Increase) / Decrease in Long Term Loans and Advances	(625.64)	(20.99)
Net Cash from Investing Activities	(3141.07)	(4338.17)
C. Cash Flow from Financing Activities		
Dividend and Distribution Tax	(170.06)	0.00
Increase / (Decrease) in Bank Borrowings - Short Term	663.87	2084.51
Increase / (Decrease) in Bank Borrowings - Long Term	112.55	908.69
Interest on Bank Borrowings	(536.14)	(50.02)
Net Cash Flow from Financing Activities	70.22	2943.18
Increase / (Decrease) in Cash and Cash equivalents	210.23	(21.05)
Cash and Cash equivalents at the beginning of the year	384.38	405.43
Cash and Cash equivalents at the end of the year	594.61	384.38

To be read with my report annexed herewith

R. BASKARAN
Chairman & Managing Director
DIN : 00002341

B. ANANDKUMAR
Joint Managing Director
DIN : 00002339

CA R. MAHESWARAN
Chartered Accountant
M. No.: 028062

Place: Coimbatore
Date: 28th August 2020

Anugraha Valve Castings Limited

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

1. SHARE CAPITAL

(A) Authorized, Issued, Subscribed, Paid - up share capital and par value per share

Particulars	(₹ in Lakhs)	
	Figures as at the end of the Current reporting period 31 st March 2020	Figures as at the end of the Previous reporting period 31 st March 2019
Authorized Share Capital		
40,40,000 Equity Shares of ₹.10/- each (Previous year 40,40,000 equity shares of ₹.10/- each)	404.00	404.00
10,00,000 Unclassified shares of ₹.10/- each (Previous year 10,00,000 Unclassified shares of ₹.10/- each)	100.00	100.00
Issued, Subscribed & Paid Up Share Capital		
35,26,504 equity shares of ₹.10/- each (Previous year 35,26,504 equity shares of ₹.10/- each)	352.65	352.65
TOTAL	352.65	352.65

(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Number of shares outstanding at the beginning of the year	3526504	3526504
Changes during the year	Nil	Nil
Number of shares outstanding as at the end of the year	3526504	3526504

(C) Shares in the company held by each shareholder holding more than 5% shares

Sl. No.	Name of the shareholder	Number of shares held in the company	Percentage of shares held
1.	R. BASKARAN	817731	23.19%
2.	B. GRAHALAKSHMI	700490	19.86%
3.	B. ANANDKUMAR	663862	18.82%
4.	A. KAVITHA	618357	17.53%
5.	A. NIKITA	209761	5.95%
	TOTAL	3010201	85.36%

Anugraha Valve Castings Limited

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

2. RESERVES AND SURPLUS

(₹ in Lakhs)				
Particulars	Figures as at the end of the Previous reporting period 31 st March 2019	Additions during the year	Deductions during the year	Figures as at the end of the Current reporting period 31 st March 2020
General Reserve	2248.12	114.33	0.00	2362.45
Surplus	15597.43	1143.31	284.39	16456.35
TOTAL	17845.55	1257.64	284.39	18818.80

Note: Deductions during the year	31 st March 2020
Transfer to General Reserve	114.33
Dividend for FY 2018-19	70.53
Dividend - Interim	70.53
Corporate Dividend Tax	29.00
TOTAL	284.39

3. LONG TERM BORROWINGS

(₹ in Lakhs)		
Particulars	Figures as at the end of the Current reporting period 31 st March 2020	Figures as at the end of the Previous reporting period 31 st March 2019
Term Loan From Banks		
Term Loan from M/s State Bank of India, Commercial Branch, Coimbatore. Repayable in 12 Quarterly instalments from 01 st April 2020. Secured by Plant and equipments of the company. The above loan is guaranteed by Directors Shri R. Baskaran and Shri B. Anandkumar and also by Mrs. B. Grahalakshmi (W/o Shri R. Baskaran) and Mrs. A. Kavitha (W/o Shri B. Anandkumar)	1021.24	908.69
TOTAL	1021.24	908.69

4. DEFERRED TAX LIABILITIES (NET)

The deferred tax liability on account of depreciation as on 31 st March 2020 is ₹.10,34,30,598/- (Previous year: ₹.10,00,28,476/-).		
No deferred tax asset created using the current tax rates in the accounts for the year 31 st March 2020 for the timing differences.	1034.31	1000.28
TOTAL	1034.31	1000.28

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

5. SHORT - TERM BORROWINGS

(₹ in Lakhs)

Particulars	Figures as at the end of the Current reporting period 31 st March 2020	Figures as at the end of the Previous reporting period 31 st March 2019
(A) LOANS REPAYABLE ON DEMAND		
Secured		
Working Capital Loans from M/s. State Bank of India, Commercial Branch, Coimbatore. Repayable on demand, secured on the Current Assets of the Company viz. Raw Materials, Stock in Process, Finished Goods, Receivables and other Current Assets of the Company. The above loan is guaranteed by Directors Shri R. Baskaran and Shri B. Anandkumar and also by Mrs. B. Grahalakshmi (W/o Shri R. Baskaran) and Mrs. A. Kavitha (W/o Shri B. Anandkumar)	3472.86	2808.99
TOTAL	3472.86	2808.99

6. TRADE PAYABLES

- Due to Micro and Small Enterprises	706.04	174.29
- Due to Other than Micro and Small Enterprises	465.95	712.91
TOTAL	1171.99	887.20

7. OTHER CURRENT LIABILITIES

(a) Current Maturities of Long - term debt	500.00	0.00
(b) Interest Accrued and due on borrowings	0.00	0.00
(c) Unpaid/unclaimed dividends	20.45	14.04
(d) Other payables		
- TDS & TCS Payables	53.15	33.57
- GST Payables	3.24	1.75
- Electricity Charges Payable	159.84	187.42
- Rent Advance Received	0.65	0.00
TOTAL	737.33	236.78

8. SHORT - TERM PROVISIONS

Employee Benefits Payable	526.38	657.54
Provision for income tax	0.00	138.00
TOTAL	526.38	795.54

ANUGRAHA VALVE CASTINGS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

9. PROPERTY, PLANT AND EQUIPMENT – TANGIBLE

Reconciliation of the gross carrying amounts and net carrying amounts at the beginning and at the end of the year

Description	Gross Carrying Amount				Accumulated Depreciation			Net Carrying Amount		
	As on 01 st April 2018	Additions during the year	Deletions during the year	As on 31 st March 2019	As on 1 st April 2018	For the year	Adjustments during the year	As on 31 st March, 2019	As on 31 st March 2018	As on 31 st March 2019
Land	807.26	0.00	0.00	807.26	0.00	0.00	0.00	0.00	807.26	807.26
Buildings	3961.21	87.75	0.00	4048.96	941.94	138.93	0.00	1080.87	3019.28	2968.09
Plant & Equipment	6772.01	1083.26	22.87	7832.40	3700.46	326.10	20.33	4006.23	3071.55	3826.17
Wind Mills	3311.87	0.00	0.00	3311.87	2445.28	103.87	0.00	2549.15	866.59	762.72
Solar Plant	497.02	0.00	0.00	497.02	256.32	30.17	0.00	286.49	240.71	210.53
Furniture & Fixtures	970.77	10.50	0.00	981.27	606.60	53.44	0.00	660.04	364.17	321.23
Vehicles	364.08	87.04	70.89	380.23	124.94	36.16	44.69	116.41	239.14	263.82
Office equipments	468.57	51.84	15.01	505.40	312.39	54.50	14.43	352.46	156.18	152.94
Books	9.41	0.00	0.00	9.41	6.13	2.80	0.00	8.93	3.27	0.48
Total	17162.20	1320.39	108.77	18373.82	8394.06	745.97	79.45	9060.56	8768.15	9313.24

Capital Work in Progress	2017-18	2018-19
	Building	5.32
Computers	0.00	1.54
Machinery	114.32	776.85
Land	0.00	1195.97
Total	119.64	3127.57

ANUGRAHA VALVE CASTINGS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

9. PROPERTY, PLANT AND EQUIPMENT – TANGIBLE

Reconciliation of the gross carrying amounts and net carrying amounts at the beginning and at the end of the year

Description	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount		
	As on 01 st April 2019	Additions during the year	Deletions during the year	As on 31 st March 2020	As on 1 st April 2019	For the year	As on 31 st March 2020	As on 31 st March 2019	As on 31 st March 2020
Land	807.26	1205.97	0.00	2013.23	0.00	0.00	0.00	807.26	2013.23
Buildings	4048.96	1884.81	0.00	5933.77	1080.87	171.19	1252.06	2968.09	4681.71
Plant & Equipment	7832.40	2381.93	40.00	10174.33	4006.23	449.02	4433.60	3826.17	5740.73
Wind Mills	3311.87	0.00	0.00	3311.87	2549.15	91.59	2640.74	762.72	671.13
Solar Plant	497.02	29.00	0.00	526.02	286.49	26.93	313.42	210.53	212.60
Furniture & Fixtures	981.27	10.24	0.00	991.51	660.04	54.08	714.12	321.23	277.39
Vehicles	380.23	69.40	57.39	392.24	116.41	37.93	149.42	263.82	242.82
Office equipments	505.40	27.01	1.13	531.28	352.46	62.32	413.71	152.94	117.57
Books	9.41	0.00	0.00	9.41	8.93	0.00	8.93	0.48	0.48
Total	18373.82	5608.36	98.52	23883.66	9060.58	893.06	9926.00	9313.24	13957.66

Capital Work in Progress	2018-19	2019-20
	Building	1153.21
Computers	1.54	0.00
Machinery	776.85	12.38
Land	1195.97	0.00
Total	3127.57	96.08

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

10. LONG-TERM LOANS AND ADVANCES

	(₹ in Lakhs)	
Particulars	Figures as at the end of the Current reporting period 31 st March 2020	Figures as at the end of the Previous reporting period 31 st March 2019
(A) Security Deposits		
(i) Secured, Considered good	0.00	0.00
(ii) Unsecured, Considered good	363.05	298.56
(iii) Doubtful	0.00	0.00
Total (A)	363.05	298.56
(B) Loans and Advances		
(i) Secured, Considered good	0.00	0.00
(ii) Unsecured, Considered good-to M/s. Sun Ark Aluminium Industries Private Limited, Sivakasi	553.85	0.00
(iii) Doubtful	0.00	0.00
Total (B)	553.85	0.00
(C) Other Loans and Advances – Rent Advance etc.		
(i) Secured, Considered good	0.00	0.00
(ii) Unsecured, Considered good	15.40	8.10
(iii) Doubtful	0.00	0.00
Total (C)	15.40	8.10
Total (A) + (B) + (C)	932.30	306.66

11. INVENTORIES

(a) Raw Materials		
- S.S.Scrap	661.87	766.92
- M.S.Scrap	49.71	75.11
- Others	312.31	327.99
(b) Work-in-progress	2039.89	2546.58
(c) Stores and spares	653.04	500.29
(d) Patterns and Tools	153.18	166.44
TOTAL	3870.00	4383.33

12. TRADE RECEIVABLES

(A) Trade receivables outstanding for more than six months		
(i) Unsecured, Considered good	0.00	11.65
(B) Trade receivables (others)		
(i) Unsecured, Considered good	5692.56	4839.65
TOTAL	5692.56	4851.30

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

13. CASH AND CASH EQUIVALENTS

	(₹ in Lakhs)	
Particulars	Figures as at the end of the Current reporting period 31 st March 2020	Figures as at the end of the Previous reporting period 31 st March 2019
(A) Balance with Banks		
(a) Earmarked Bank Balances		
(i) Unpaid dividend bank account	20.59	14.04
(b) Other bank balances		
(i) Bank deposits with more than 12 months	0.93	0.87
(ii) Others	560.26	356.20
(B) Cheques on hand	0.00	0.00
(C) Cash on hand	12.82	13.28
TOTAL (A)+(B)+(C)	594.60	384.39

14. SHORT TERM LOANS AND ADVANCES

A. Loans and Advances		
(i) Secured, Considered good	0.00	0.00
(ii) Unsecured, Considered good – to M/s Sun Ark Aluminium Industries Private Limited, Sivakasi	0.00	553.85
(iii) Doubtful	0.00	0.00
(Total A)	0.00	553.85
B. Others - Rent, Salary & Bonus		
(i) Secured, Considered good	0.00	0.00
(ii) Unsecured, Considered good	1.14	2.55
(iii) Doubtful	0.00	0.00
(Total B)	1.14	2.55
TOTAL (A)+(B)	1.14	556.40

15. OTHER CURRENT ASSETS

Advances recoverable in cash or in kind or for value to be received	309.45	473.96
Total Income Tax Refund Receivable as on 31 st March 2020	1292.55	1172.69
Prepaid Expenses	16.02	34.31
Receivable GST	102.91	29.00
Rebate Receivable IGST	231.75	186.51
Receivable from TNEB	13.12	12.82
TDS & TCS Receivables	25.42	3.50
TOTAL	1991.22	1912.79

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

16. REVENUE FROM OPERATIONS

(₹ in Lakhs)		
Particulars	Figures as at the end of the Current reporting period 31 st March 2020	Figures as at the end of the Previous reporting period 31 st March 2019
(A) Sale of Products		
- Finished Goods	22230.06	20688.27
- Patterns	318.27	291.16
- Waste	23.37	27.73
- Tools	58.78	44.08
TOTAL (A)	22630.48	21051.24
(B) Other Operating Revenue		
- Export Incentives	977.10	946.92
- Power Generation Income	710.48	675.58
- Testing Charges, Freight and Discount Received	26.64	37.48
TOTAL (B)	1714.22	1659.98

17. OTHER INCOME

- Interest Income	19.81	189.52
- Profit on Sale of Assets	1.06	0.02
- Rent Received	1.27	1.02
- Miscellaneous Receipts (Compensation & Others)	53.40	7.63
- Foreign Exchange Rate Fluctuation	836.54	375.31
TOTAL	912.08	573.50

18. COST OF MATERIAL CONSUMED

Raw material consumed		
- S.S.Scrap	3310.24	3459.95
- M.S.Scrap	1449.92	1807.49
- Others	1353.32	1326.33
TOTAL	6113.48	6593.77

Anugraha Valve Castings Limited

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

19. OTHER MANUFACTURING EXPENSES

Particulars	(₹ in Lakhs)	
	Figures as at the end of the Current reporting period 31 st March 2020	Figures as at the end of the Previous reporting period 31 st March 2019
Power and Fuel		
- Electricity Charges	1893.49	1943.15
- Diesel Consumption	217.79	270.65
Stores & Spares, Packing Material Consumed		
- Consumption of Pattern & Tools	489.59	375.75
- Consumption of Consumables	2635.18	2826.80
- Consumption of Packing Materials	324.41	307.60
Transport Charges for Purchases	233.44	239.18
Testing Charges Paid	280.35	312.45
Quality Certification Expenses	411.46	271.39
Repairs - Plant and Machinery	512.50	505.71
Maintenance - Electricals	51.50	58.54
Repairs - Factory Buildings	51.31	41.54
Labour Charges	3060.60	2920.40
TOTAL	10161.62	10073.16

20. EMPLOYEE BENEFIT EXPENSES

Salaries, wages and bonus	3561.93	3228.87
Contribution to PF, ESI and Gratuity	350.06	335.11
Staff Welfare Expenses	142.77	120.77
TOTAL	4054.76	3684.75

21. FINANCE COSTS

(i) Interest for Bank Loan	119.42	26.07
(ii) Processing Charges	27.02	11.50
(iii) Net Gain/Loss in Foreign Currency Transactions/Translation	385.56	0.00
(iv) Interest for TDS	0.02	0.01
(v) Interest for GST	0.79	1.30
(vi) Interest for Others	3.33	11.14
TOTAL	536.14	50.02

Anugraha Valve Castings Limited

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

22. OTHER EXPENSES

Particulars	(₹ in Lakhs)	
	Figures as at the end of the Current reporting period 31 st March 2020	Figures as at the end of the Previous reporting period 31 st March 2019
Rent	37.46	35.68
Insurance	59.97	43.71
Rates and Taxes	102.96	87.48
Donation	4.63	31.38
Payment to Statutory Auditors		
- Statutory Audit Fees	2.00	2.00
- Taxation Matters	1.00	2.50
- Other Services	3.75	2.96
Transportation, Forwarding and Clearing charges	422.82	429.91
Bank Charges	61.72	56.62
Telephone, Postage, Printing and Stationery	38.16	39.69
Loss on Sale of assets and on assets Discarded	10.50	18.20
Travelling and Vehicle Maintenance	90.57	93.37
Legal, Professional and consultancy charges	98.89	110.78
Selling Expenses	58.97	52.66
Directors' Sitting Fees	3.80	3.00
Directors' Remuneration	602.50	602.50
Computer Maintenance and Office Equipments	37.95	35.06
Security Service Charges	0.00	0.59
Pollution Control Expenses	32.88	24.00
Training Expenses	0.70	1.14
CSR Expenditure	13.93	0.00
Books & Periodicals Expenses	1.09	4.22
A.G.M. Expenses	0.22	0.23
Pooja Expenses	16.52	7.01
Electricity Charges - Guest House	0.39	0.36
Electricity Charges Office	0.95	0.86
Discount - Others	11.59	0.56
Other Miscellaneous Expenses	2.23	0.76
TOTAL	1718.15	1687.23

SELLING EXPENSES

Advertisement	5.09	11.73
Sales Promotion	31.31	21.46
Packing Expenses	22.57	19.47
TOTAL	58.97	52.66

Anugraha Valve Castings Limited

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

23. CURRENT TAX

Particulars	(₹ in Lakhs)	
	Figures as at the end of the Current reporting period 31 st March 2020	Figures as at the end of the Previous reporting period 31 st March 2019
Income Tax (MAT)	224.00	138.00
MAT Credit Entitlement	(218.00)	0.00
Earlier year Income Tax	89.55	(355.29)
TOTAL	95.55	(217.29)

24. DISCLOSURE IN RESPECT OF ACCOUNTING STANDARD-15 "EMPLOYEE BENEFITS"

Particulars	Gratuity (Funded)	
	2019-20	2018-19
Expenses Recognized during the year		
Current Service Cost	59.52	53.36
Interest Cost	40.64	38.71
Expected Return on Plan assets	(37.45)	(41.66)
Actuarial Loss/(Gain) during the year	12.83	6.11
Expenses recognized in profit & Loss Account	75.54	56.52
Actual Return on Plan Assets		
Expected Return on Plan assets	47.11	41.66
Actual Return on Plan assets	47.11	41.66
Net Asset / (Liability) recognized in the Balance Sheet		
Present value of the obligation at the year end	541.88	541.88
Fair Value of Plan assets at the year end	608.94	608.94
Funded Status- Surplus/(deficit)	67.06	67.66
Net Asset/(Liability) recognized in the Balance Sheet	67.06	67.66
Change in Present value of obligation during the year		
Present value of obligation at the beginning of the year	541.88	483.91
Current Service Cost	59.52	53.36
Interest Cost	40.64	38.71
Benefits paid	(37.45)	(40.21)
Actuarial loss/(gain) on obligation	12.83	6.11
Present value of obligation at the year end	617.42	541.87
Changes in Assets during the year		
Fair Value of plan assets at the beginning of the year	608.94	504.18
Expected return on plan assets	47.11	41.66
Contributions made	23.54	103.31
Benefits Paid	(37.45)	(40.21)
Fair value of plan assets at the year end	642.14	608.94
Actuarial Assumptions		
Discount Rate	7.25%	7.5%
Salary Escalation	7%	7%

Anugraha Valve Castings Limited

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25. SEGMENT INCOME

The Company has identified the operations of Wind Turbine Generators and Solar Plant as separate segment as per Accounting Standard 17, "Segment Reporting" issued by the institute of Chartered Accountants of India and the financial information for the year ended 31st March 2020 is as under:

Statement of Profit & Loss of Wind Turbine Generator and Solar Plant for the year ended 31st March 2020

(₹ in Lakhs)		
Particulars	2019-20	2018-19
A. Wind Turbine Generator		
Income Power Generation Income	696.68	659.44
Total (i)	696.68	659.44
Expenditure		
Maintenance & Banking Charges	161.40	165.34
Depreciation	91.60	56.49
Total (ii)	253.00	221.83
Net Profit / (Loss) (i-ii)	443.68	437.61
B. Solar Plant Income		
Power Generation Income	13.38	16.14
Total (i)	13.38	16.14
Expenditure		
Depreciation	26.93	30.17
Total (ii)	26.93	30.17
Net Profit / (Loss) (i-ii)	(13.55)	(14.03)

Carrying Amount of Assets and Liabilities relating to the Segment as on 31st March 2020

Particulars	2019-20	2018-19
Assets		
Land	95.20	95.20
Wind Turbine Generators	3311.87	3311.87
Solar Plant	526.02	497.02
Liabilities		
Term Loan with the State Bank of India (for Solar Plant)	0.00	0.00

26. DISCLOSURE OF RELATED PARTY TRANSACTIONS AS PER ACCOUNTING STANDARD-18

LIST OF RELATED PARTY :

NAME OF THE RELATED PARTY	NATURE OF RELATION
Shri R. Baskaran	Chairman & Managing Director
Shri B. Anandkumar	Joint Managing Director
Smt. B. Grahalakshmi	Relative of Director
Nikita Educational Advisory Board	Related Concern

(₹ in Lakhs)

NAME OF THE RELATED PARTY	NATURE OF TRANSACTION	2019-20	2018-19
Shri R. Baskaran, Chairman & Managing Director	Remuneration	325.00	325.00
Shri B. Anandkumar, Joint Managing Director	Remuneration	271.50	271.50
Smt. B. Grahalakshmi	Rent Paid	12.00	12.00
Nikita Educational Advisory Board	Rent Received	(0.90)	(0.90)

27. EARNINGS PER SHARE

(₹ in Lakhs)

Particulars	2019-20	2018-19
Profit after Tax	1143.31	1324.68
Less: Extra-ordinary Items	0.00	0.00
Profit after tax after Extra-ordinary Items	1143.31	1324.68
No. of equity shares of ₹.10/- each (No. in Lakhs)	35.27	35.27
Basic Earnings per Share (₹)	32.42	37.56

28. OTHER NOTES ATTACHED FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

I. Company Information

Anugraha Valve Castings Limited (the Company) is a Public Limited Company domiciled in India with its Registered Office located at S.F.No.391/2, Sengoda Gounden Pudur, Arasur Village, Coimbatore - 641 407, Tamil Nadu. The Company is engaged in the business of Manufacturing and Exporting of Industrial Valve Castings.

II. Impact of COVID-19:

The Company's operations have been affected on the outbreak of COVID-19 in March 2020 and consequently series of measures to contain the outbreak were taken by the Central / State Governments which included imposing of lockdowns across the country. The company suspended its operations in the ongoing project in compliance of the lock down guidelines. Normal business operations have been affected by way of interruption of in project execution, supply chain distribution and unavailability of personnel during the lock down period.

The Management, considering the nature of the present business has assessed the impact of the COVID-19 on the carrying amount of the assets (including its properties, capital work in progress, inventories, receivables etc.,) and has made a detailed assessment to the extent possible based on the available information) of the impact of COVID -19 on the financial statements including appropriateness of the going concern basis of accounting.

The Management has undertaken various cost saving initiatives to maximize cash flows and conserve cash position in the given situation. Based on the current estimates, the company expects that the carrying amount of these assets, as reflected in the balance sheet as an 31st March 2020, are fully recoverable. The management has also estimated the future cash flows of the company with possible effects that may result from COVID-19 pandemic and do not foresee any adverse impact on realising its assets and in meeting its liabilities as and when they fall due. The actual impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial statements.

III. Significant Accounting Policies

- a) The financial statements are prepared under the historical cost convention, in accordance with the applicable Accounting Standards and on the basis of going concern. The Company has been consistently following accrual system of accounting for accounting its income and expenditure.

b) Use of Estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reported period. Difference between the actual results and estimates are recognized in the period in which the results are known or materialize.

- c) Material consumption is net of credit availed under GST scheme.

- d) The Property, Plant & Equipment are stated at cost less Goods and Service Tax. All incidental expenses incurred to acquire and install the Property, Plant and Equipment have been included in the value of the respective Property, Plant & Equipment cost.

Depreciation on the Property, Plant & Equipment has been provided on straight-line method except Wind Turbine Generators and Solar Plants for which Written down Value method is adopted. The Company has adopted the useful life as specified in Schedule II to the Companies Act, 2013.

e) Valuation of Inventories

- i) Raw materials, Stores and Spares at moving average cost.
- ii) Work-in-progress stock at Material Cost plus conversion cost at the stage of completion.
- iii) Pattern and Tools stock at Cost.

- f) Foreign currency transactions are accounted at equivalent Rupee values based on exchange rates prevailing on the date of transaction. The difference on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realization is transferred to Profit and Loss Account. Foreign exchange

monetary assets and liabilities are restated at the rates prevailing at the year end and the difference has been recognized in the Profit and Loss Account as per the Accounting Standard 11(Revised 2003), "Accounting for the effects of changes in foreign exchange rates" issued by the Institute of Chartered Accountants of India.

g) Accounting for Foreign Exchange Derivative Contracts:

The company uses foreign exchange forward contracts and options to reduce the cost or to hedge its risks associated with foreign currency fluctuations to underlying transactions, and for future receivables for certain firm commitments or forecasted transactions. In respect of hedge contracts, for firm commitment or forecasted transactions, the attributable gain or loss is taken to profit and loss account.

h) Employee Benefits:

(i) Short Term

Short term employees benefits comprise of Salary, Bonus and leave encashment are recognized as expense as per the Company's Scheme and charged to the Profit and Loss account. Company's Contribution to Employees State Insurance Corporation of India is a defined contribution plan and such contributions paid or payable during the year are charged to the Profit and Loss account.

(ii) Post Retirement

Post Retirement Benefit comprise of Provident Fund and Gratuity which are accounted as follows:

a. Provident Fund

This is a defined contribution plan and contributions made to the fund in accordance with applicable rules/statutes are charged to revenue. The Company has no further obligations for future provident fund benefits other than contributions made to the fund.

b. Gratuity

This is a defined benefit plan. Contributions are made to the fund administered by the Life Insurance Corporation of India (LIC). Gratuity liability is charged to the Profit and Loss account based on actuarial valuation using Projected Unit Credit Method.

- i) Deferred tax resulting from timing differences between book and tax profits is accounted for using tax rates and tax laws that have been enacted at the balance sheet date. Current tax is provided on the basis of regular computation.
- j) The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

Anugraha Valve Castings Limited

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(₹ in Lakhs)

Particulars	2019-20	2018-19
A. Expenditure in Foreign Currency		
a) Foreign Traveling Expenses	10.30	13.81
b) Bank Charges & Other Interest	74.83	22.60
c) Import Raw Materials	873.96	740.96
d) Capital goods	687.50	1333.30
e) Components and Spare Parts	74.64	0.00
f) Professional & Consulting Fees	7.55	11.45
g) Term Loan Interest	41.47	0.00
h) Others	34.25	30.97
TOTAL	1804.50	2153.09
B. Earnings in Foreign Exchange		
Export of goods calculated on FOB basis	19465.15	19085.26

k) Since the Company does not have any Non-resident shareholders, disclosure of particulars of foreign currency remittance on account of dividend does not arise.

IV. Contingent Liability: There are no contingent liability as on 31st March 2020.

V. Taxation

Current tax:

Current year Income Tax is on account of MAT of ₹.224.00 Lakhs.

VI. Details of dues to Micro, Small and *Medium Enterprises as per MSMED Act, 2006

(₹ in Lakhs)

Particulars	31 st March 2020	31 st March 2019
1. The Principal amount and the interest due there on remaining unpaid to any supplier as at the end of year		
a. Principal Amount unpaid*	703.07	174.29
b. Interest Due	0.59	Nil
2. Payment and Interest made to Micro, Small and Medium Enterprises beyond the appointment day during the year		
a. Payment made beyond the Appointment date	1006.62	492.18
b. Interest paid beyond the Appointment date	Nil	Nil
c. Interest due and payable	2.38	Nil
3. The amount of interest due and payable for the period of delay in making payment	2.97	Nil
4. Interest due for earlier years	Nil	Nil

* No outstanding due to Medium Enterprises

* The payment was made beyond due date because of the credit terms issued by the MSMEs. There was no delay on behalf of the Company.

VII. The Company has sent confirmation letters to the creditors and debtors as on 31st March 2020. The amount disclosed in the accounts is subject to any adjustments if any required on reconciliation of the balances.

VIII. Previous year figures are regrouped and rearranged wherever necessary to suit this year's presentation.

R. BASKARAN
Chairman & Managing Director
DIN : 00002341

B. ANANDKUMAR
Joint Managing Director
DIN : 00002339

CA R. MAHESWARAN
Chartered Accountant
M. No.: 028062

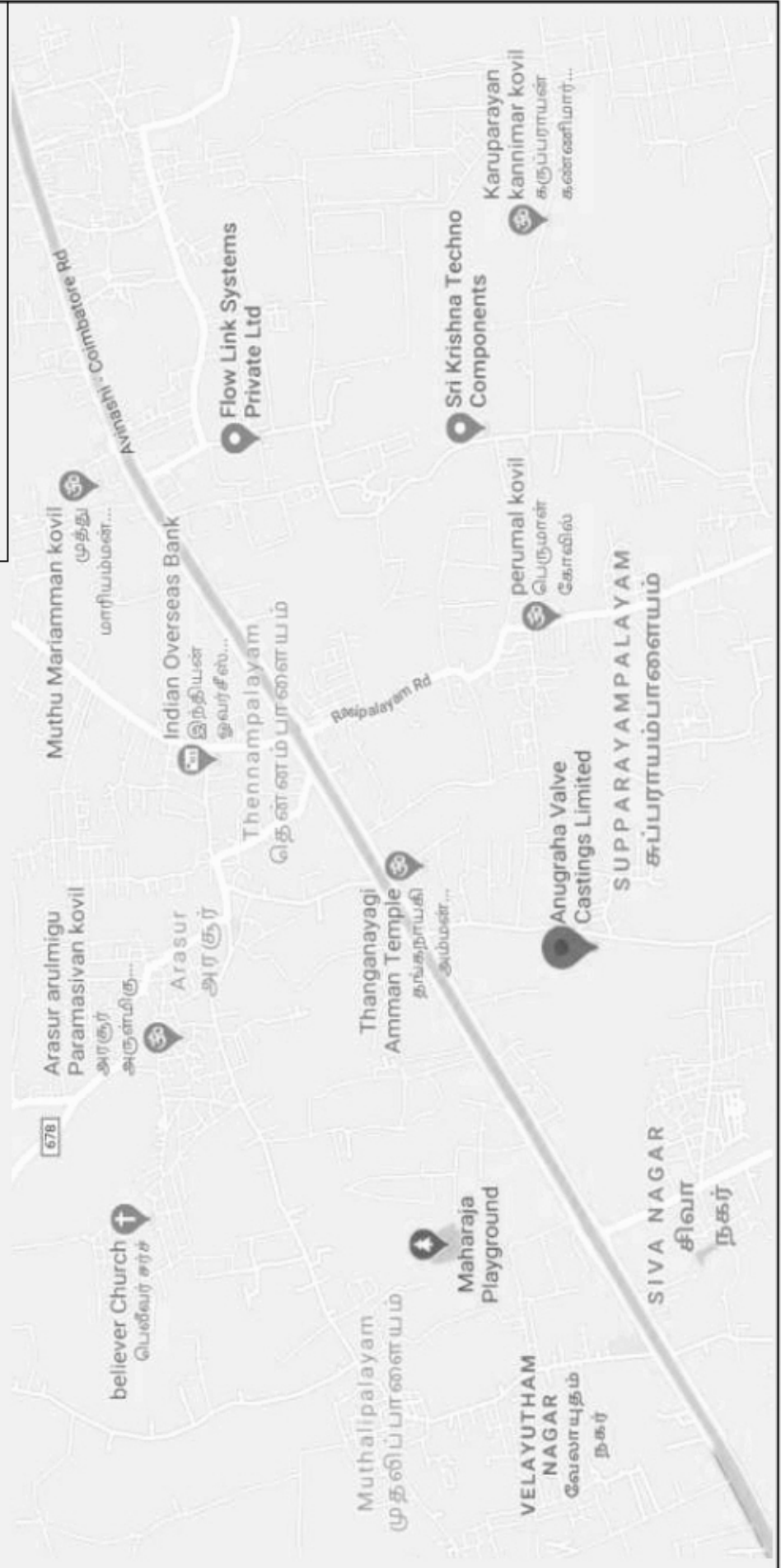
Place: Coimbatore
Date: 28th August 2020

28th Annual General Meeting (AGM)

Date : 26th November 2020
 Day : Thursday
 Time : 10.45 AM
 Venue : **Anugraha Valve Castings Limited - Unit III**,
 S.F.No.400/5, Sengoda Gounden Pudur,
 Arasur Village, Coimbatore - 641 407.

ANNEXURE I

Route Map to AGM Venue



Anugraha Valve Castings Limited

**S.F.NO.391/2, SENGODA GOUNDEN PUDUR,
ARASUR VILLAGE, COIMBATORE - 641 407
PHONE : +91-0422-2360124, 2360910.
WEBSITE : www.anugrahavalvecastings.com
E-MAIL : secretarial@anugrahavalve.com**



Anugraha Valve Castings Limited

CIN : U27109TZ1992PLC003873

Registered Office: 391/2, Sengoda Gounden Pudur, Arasur Village, Coimbatore – 641 407

Tel. No.: +91 422 2360124, +91 422 2360910, Fax: + 91 422 2360026

E-Mail:secretarial@anugrahavalve.com; Website: www.anugrahavalvecastings.com

Annexure II

FORM NO. MGT 11 / PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) :	
Registered Address	
Email ID	
Folio No.	
DP ID	
Client ID	

I/We, being the member(s) holding Shares of the above named Company, hereby appoint:

1.

Name	
Address	
Email Id	
Signature	

, or failing him/her;

2.

Name	
Address	
Email Id	
Signature	

, or failing him/her;

3.

Name	
Address	
Email Id	
Signature	

, or failing him/her;

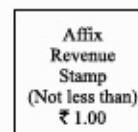
as my/our Proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 28th Annual General Meeting of the Company at **Anugraha Valve Castings Limited - Unit III, S.F.No.400/5, Sengoda Gounden Pudur, Arasur Village, Coimbatore - 641 407 to be held on Thursday, 26th November, 2020 at 10.45 AM** and at any adjournment thereof in respect of the following resolutions, in the manner as indicated below:

Resolution No.	Description	Type of Resolution	Optional	
			For	Against
1	To receive, consider and adopt the standalone audited financial statements of the Company for the financial year ended 31 st March 2020 together with notes Director's report and Statutory auditor's report thereon.	Ordinary		
2	Re-appointment of Shri Ajay J Shah [DIN: 00294193] Non-executive Director, who retires by rotation and being eligible, offers himself for re-appointment.	Ordinary		
3	Fixing remuneration for Shri R. Baskaran, Chairman & Managing Director [DIN: 00002341] for his remaining tenure of office.	Special		
4	Fixing revised remuneration for Shri B. Anandkumar, Joint Managing Director [DIN: 00002339] for his remaining tenure of office.	Special		
5	To appoint Shri Ramani Vidhya Shankar [DIN: 00002498] as Non-executive Independent Director	Special		
6	Amend Memorandum of Association of the company	Special		
7	Amend Articles of Association of the company	Special		

Signed this _____ day of _____ 2020

Signature of Shareholder(s) : _____

Signature of Proxy holder(s) : _____



Note :

1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the company, not less than 48 hours before the commencement of the Meeting
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 28th AGM
3. It is optional to put a '✓' mark in the appropriate column against the Resolution indicated in the Box, if you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she think appropriate
4. Please complete all details including details of member(s) in above box before submission.
5. Member may note that a person shall not act as a Proxy for more than 50 members and holding in aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a Proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a Proxy for any other person. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/authority as applicable. The Proxy-holder shall provide proof of identity at the time of attending the Meeting.



Anugraha Valve Castings Limited

CIN : U27109TZ1992PLC003873

Registered Office: 391/2, Sengoda Gounden Pudur, Arasur Village, Coimbatore – 641 407

Tel. No.: +91 422 2360124, +91 422 2360910, Fax: + 91 422 2360026

E-Mail:secretarial@anugrahalvalve.com; Website: www.anugrahalvalvecastings.com

Annexure III ATTENDANCE SLIP

Folio No. :
DP ID :
Client ID :
No. of shares held :

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Name and Address of Member (In case of Joint Holder please fill details in additional Attendance Slip which can be obtained from the Company on or before 17 th November 2020)	Venue
	Anugraha Valve Castings Limited - Unit III, S.F.No.400/5, Sengoda Gounden Pudur, Arasur Village, Coimbatore - 641 407
	Day, Date and Time
	Thursday, 26th November, 2020 at 10.45 AM

I certify that I am a Member / Proxy / Authorized Representative for the Member of the Company

I hereby register my presence at the 28th Annual General Meeting of the Company

Name of attending Member / *Proxy /
Authorized Representative

Signature of Member / *Proxy /
Authorized Representative

*Strike out whichever is not applicable

Member / Proxy holder are requested to bring copies of annual report and attendance slip to the Annual General Meeting. No attendance slip will be issued at the venue of AGM.

1. Physical copy of the Annual Report for 2019-20 and Notice of the AGM along with Attendance Slip and Proxy Form have already been sent in the permitted mode(s) to all Members.
2. A proxy need not be a Member of the Company.
3. Members are requested to-
 - Avoid being accompanied by non-member and/or relative or children;
 - Bring their copies of Annual report to the meeting, as the Company will not be able to provide another copy in view of the increased cost of paper and printing expenses;
 - Be in their seats at the meeting hall atleast 15 minutes before the scheduled time for commencement of the meeting to avoid interruptions in the proceedings.
 - Please wear masks at all times during your presence at the venue. In case of not wearing masks entry may be restricted at the venue.
 - Please use sanitizers made available at the venue immediately upon arrival at the venue.
4. Members intending to appoint Proxy(s) are requested to complete the proxy form send herewith and deposit the same at the Registered Office of the company at least 48 hours before the time fixed for holding the meeting.