

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 Mediciam 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**:

"**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


R. BASKARAN
 Chairman & Managing Director
 DIN: 00002341

Place: Coimbatore

Date: 28th August 2020

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 Mediciam 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.

(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:

Financial Year	(₹. in Lakhs)	
	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 Mediclaim 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:

Financial Year	(₹. in Lakhs)	
	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


R. BASKARAN
 Chairman & Managing Director
 DIN: 00002341

Place: Coimbatore

Date: 28th August 2020

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/annual-report/>.
- (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/>. 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/>. 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



R. BASKARAN
Chairman & Managing Director
DIN: 00002341

Place: Coimbatore
Date: 28th August 2020

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.