

Anugraha Valve Castings Limited

27th 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

SHARE TRANSFER COMMITTEE

Shri R. Baskaran
Shri B. Anandkumar
Shri R.P. Joshua

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 - 641002.

COST CONSULTANT

Ramakrishnan & Co,
Cost Accountants
FF11, Sowparnika Saigopal Apartment,
Kaveti Layout, Karunanithi Nagar, Sowripalayam,
Coimbatore - 641 028.

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

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

Central Depository Services (India) Limited,

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

National Securities Depository Limited

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

COMPANY INFORMATION

CIN : U27109TZ1992PLC003873

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 : anugraha@anugrahavalvecastings.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 II	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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NOTICE

Notice is hereby given that the **Twenty Seventh Annual General Meeting** of the shareholders of the Company will be held at **10.35 AM on Saturday, the 21st day of September, 2019** at **Sree Annapoorna Sree Gowrishankar Hotels (P) Ltd.**, Sai Baba Colony Branch, Sri Valli Complex, 174, N.S.R. Road, Sai Baba Colony, Coimbatore - 641 011 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2019 and the Statement of Profit and Loss along with Cash Flow Statement for the year ended on that date together with Directors' Report and Auditor's Report thereon.
2. Declaration of Dividend.
3. To Re-appoint **Shri Ramnath Dureja**, Non-Executive Director, who retires by rotation and being eligible, offers himself for re-appointment.

By Order of the Board

Place : Coimbatore
Date : 27th July 2019

R. BASKARAN
Chairman & Managing Director

NOTES

1. At the Company's 25th Annual General Meeting held on 23rd September, 2017, CA R. Maheswaran, Chartered Accountant was appointed as Statutory Auditor of your Company for a term of 5 Years to hold office from the conclusion of the 25th Annual General Meeting until the conclusion of the 30th Annual General Meeting of the Company. Vide Ministry of Corporate Affairs Notification dated 7th May, 2018 amending Section 139 of the Companies Act, 2013 and the applicable Rules, the mandatory requirement to place the matter relating to appointment of Auditor for ratification by Members at every AGM has been omitted. Accordingly, no resolution is being proposed for ratification of appointment of the Statutory Auditor at the 27th Annual General Meeting. The Statutory Auditor has given a confirmation to the effect that he is eligible to continue with their appointment and that he has not been disqualified in any manner from continuing as Statutory Auditor. As authorised by the share holders of the company, the remuneration payable to the Statutory Auditor shall be determined by the Board of Directors based on the recommendation of the Audit Committee from time to time.

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.
6. Pursuant to the provisions of Section 91 of the Companies Act, 2013, The Register of Members and Share Transfer books of the Company will remain closed from Thursday, 12th September 2019 to Saturday, 21st September 2019 (both days inclusive).
7. Pursuant to Section 125 of the Companies Act, 2013 unclaimed dividends up to the Financial Year ended 31st March 2011 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 is 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.

Members who have not en-cashed their dividend cheques towards the Dividend for the year ended 31st March 2012 or thereafter are requested to write to the Company.

Members are requested to note that the Dividend for the year ended 31st March 2012 declared at the Annual General Meeting held on 12th September 2012 is due to be transferred to the IEPF in October 2019.

Also pursuant to the provisions of the recently notified "Investor Education and Protection Fund Authority" (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more, are also to be transferred to a DEMAT account of the Investor Education and Protection Fund (IEPF). In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. 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 22nd September 2018 on the website of the company at the web-link <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.

8. Dematerialisation of shares:

- a. 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. Members are accordingly requested to get in touch with Company or Registrar and Share Transfer Agent - S.K.D.C. Consultants Limited ["RTA"] to seek guidance about the dematerialisation procedure. The Members may also visit the website of the Depositories viz. (i) National Securities Depository Limited ["NSDL"] at the web-link: <https://www.nsdl.co.in/faqs/faq.php> or (ii) Central Depository Services (India) Limited ["CDSL"] at the web-link: <https://www.cdslindia.com/investors/open-demat.aspx>, for understanding the dematerialisation process. Demat ISIN in NSDL and CDSL for equity shares of the Company is INE629Z01015.
- b. The Company has sent letters and requisite reminders to shareholders holding shares in physical form advising them to dematerialise their holding in accordance with the requirements of Companies Act, 2013, mandating transfer of securities only in electronic form, with effect from 2nd October 2018. The Company has also sent letters to shareholders holding shares in physical form for updation of PAN and Bank account details, change in registered address 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/its Registrar and Share Transfer Agents. As at 31st March 2019, 2.96% of the total equity capital of the Company was held in dematerialised form with NSDL and CDSL.
- c. Shareholders may correspond with the RTA for any Queries, Complaints & Suggestions at :
S.K.D.C. Consultants Limited,
Phone : 91-422-4958995, 2539835-36
Fax : 91-422-2539837
Email : info@skdc-consultants.com
- d. 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.
- e. Pursuant to Sections 101 and 136 of the Companies Act, 2013, read with the Rules framed thereunder and pursuant to the Circulars issued by the Ministry of Corporate Affairs (MCA) regarding the Green Initiative, the Notice of the 27th Annual General Meeting (AGM) along with attendance slip and proxy form and the Annual Report for the year 2018-19, would be sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ RTA/Depository Participant and who have not opted to receive the same in physical form.

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- f. For Members who have not registered their e-mail addresses and/or have opted to receive the documents in physical form, physical copies of the Annual Report for the year 2018-19 and the Notice of the 27th AGM alongwith attendance slip and proxy form would be sent by the permitted mode. Members are requested to support the Green Initiative by registering/ updating their e-mail addresses, with the Depository Participant (in case of Shares held in dematerialised form) or with the Company (in case of Shares held in physical form). Members may also note that the Notice of the 27th Annual General Meeting and the Annual Report for 2018-19 will be available on the Company's website at the weblink : <http://www.anugrahavalvecastings.com/annualreport/>
 - g. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its RTA cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Such changes are to be advised only to the Depository Participant of the Members.
 - h. The Company has extended the facility of electronic credit for payment of dividend 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 opting for electronic credit facility, the Company will issue cheques for distribution of dividend. Members who wish to change such bank account details are therefore requested to advise their Depository Participants about such change, with complete details of bank account.
9. 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.
 10. Members seeking clarifications on the Annual Report are requested to send in written queries to the Company atleast one week before the date of the Meeting. This would enable the Company to compile the information and provide replies at the meeting.
 11. Members in receipt of physical copy of Annual Report, are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
 12. A route map to reach the venue is given at the end of the Annual Report as per the Secretarial Standard 2.

For and on behalf of the Board

Place : Coimbatore
Date : 27th July 2019

R. BASKARAN
Chairman & Managing Director

BOARD'S REPORT TO THE SHAREHOLDER

1). TO THE MEMBERS

Your Directors take pleasure in presenting 27th Annual Report and the Company's Audited Financial Statement for the year ended 31st March, 2019.

2). FINANCIAL HIGHLIGHTS

(₹ in Lakhs)		
Details	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Sales & Other Income	23284.71	19718.45
Profit before Finance Cost and depreciation	1840.48	1816.50
Less : Finance Cost	38.52	10.36
Depreciation	745.97	726.83
Profit after finance cost and depreciation	1055.99	1079.31
Less : Provision for		
Income Tax	138.00	187.00
Deferred Tax	(51.39)	39.24
Tax Relating to Earlier Years	(355.29)	(50.04)
Profit after Tax	1324.67	903.11
Surplus brought forward from previous year	14439.89	13738.30
Less : Transfer to General Reserve	132.46	90.31
Dividend	0.00	70.53
Corporate Dividend Tax	0.00	14.36
CSR Expenditure	34.66	26.31
Balance carried to Balance Sheet	15597.44	14439.90

3). OPERATIONS

During the financial year under review, your Company has generated a turnover of ₹ 210.51 Crores and registered an increase by 20.15% compared to ₹ 175.20 Crores in the previous financial year ended 31st March, 2018 and earned a Profit before tax of ₹ 10.56 Crores as against ₹ 10.79 Crores in the previous financial year.

4). THE STATE OF AFFAIRS OF THE COMPANY

The Company has adopted the various business excellence models, Quality Management Systems (QMS), Environmental Management System (EMS), Occupational Health & Safety (OH&S), The Company's 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). 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 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 in the quarters thereafter.

6). DIVIDEND

Based on the Company's Performance, the Directors are pleased to recommend for approval of the members, a dividend of ₹ 2.00 per equity share (20% on 35,26,504 Equity Shares) for the Financial Year ended 31st March 2019. The dividend on equity shares, if approved by the members would result in total cash out flow of ₹ 85.02 Lakhs including dividend distribution tax of ₹ 14.49 Lakhs as against Nil dividend declared during the previous year.

7). TRANSFER TO RESERVES

The Company transfers ₹132.46 Lakhs to the general reserve out of the amount available for the appropriation and an amount of ₹15597.44 Lakhs is proposed to be retained in the statement of profit and loss.

8). FINANCE

Cash and Cash Equivalent as at 31st March, 2019 was at ₹ 384.39 Lakhs.

The Company was able to continue its sustained efforts in judicious management of working capital, receivables, inventories and other working capital parameter through regular monitoring.

9). PARTICULARS OF LOANS, INVESTMENTS, GUARANTEES AND SECURITIES

Loans granted by the Company have been disclosed in the financial statements of the Company in Note No.14 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 ("the Act").

10). TRANSFER TO 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 2010-11 becomes due for transfer to IEPF and an amount of ₹ 69,800/- was transferred to IEPF Account on 15th October 2018.

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, 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. 22nd September 2018), with the Ministry of Corporate Affairs.

11). 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.anugrahavalvecastings.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 A**.

12). INTERNAL FINANCIAL CONTROLS

The Board and the Audit Committee have been reviewing the Internal Financial Controls and there were no reportable material weakness or significant deficiencies in the functioning of the internal financial controls. Further, Audit Committee periodically reviews the Internal Audit Reports and provides suggestions and recommends and monitors corrective actions.

13). 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 minimisation procedures are being followed by the Company and steps are taken by the Board to mitigate these risks.

14). DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. In the preparation of the Annual Financial Statements for the year ended 31st March, 2019, the applicable accounting standards have been followed and that there were no material departures;
- ii. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended 31st March, 2019 and the profits of the Company for that year;
- iii. The directors had 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. The directors have prepared the annual accounts on a going concern basis.
- v. The directors had devised proper systems to ensure compliance with the provisions of all Applicable Laws and that such system were adequate and operating effectively.
- vi. The Company has complied with the mandatory Secretarial Standards.

15). CHANGES IN DIRECTORS & KEY MANAGERIAL PERSONNEL POSITION

(i). Directors

In terms of section 152(6) of the Companies Act 2013, Shri Ramnath Dureja propose to retire by rotation and being eligible, seek re-appointment. There were no changes in Board of Directors.

(ii). Key Managerial Personnel

Shri R. Baskaran, Chairman & Managing Director and Shri B. Anandkumar, Joint Managing Director are the Key managerial personnel of the Company as per section 2(51) of Companies Act, 2013. There are no other Key Managerial Personnel in the Company as at the date of the report.

Mrs. P. Chandrakala who was appointed as the Company Secretary on 1st April 2015 resigned with effect from 12th February 2019. As the paid up capital of the company is less than ₹ 5 Crores there is no need for appointment of a whole time Company Secretary.

16). 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 has given a written declaration to the Company confirming that they meet the criteria of independence as mentioned under the Act.

17). 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/>

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18). 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)	23.11
4	Mr. M. Sivakumar	General Manager (HR)	17.96
5	Mr. B. Unnikrishnan	General Manager (Machine Shop)	17.50
6	Mr. V. Arul	Senior Manager (Methoding)	17.29
7	Mr. P. Kamaraj	General Manager (Finance & Accounts)	12.40
8	Mr. S. Amaresh	Assistant General Manager (Moulding)	10.50
9	Mr. K. Arulprakasam	Deputy General Manager (Planning)	8.99
10	Mr. S. Radhakrishnan	Senior Manager (Machine Shop)	8.40

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

19). ANNUAL RETURN

The extracts 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/>

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20). MEETINGS AND ATTENDANCE OF BOARD AND COMMITTEES

(i). BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The following four Meetings of the Board of Directors were held during the Financial Year 2018-19;

Name of the Director	Total Number of Meetings held	Number of Meetings Attended	Date of Meeting			
			17 th May'2018	25 th July'2018	22 nd Sep.'2018	12 th Jan.'2019
Shri R. Baskaran	4	4	✓	✓	✓	✓
Shri B. Anandkumar	4	4	✓	✓	✓	✓
Shri R.P. Joshua	4	4	✓	✓	✓	✓
Shri S. Ponraj	4	4	✓	✓	✓	✓
Shri Ramnath Dureja	4	3	✓	✓	✗	✓
Shri Ajay J Shah	4	4	✓	✓	✓	✓

The intervening gaps between the meetings were within the period prescribed maximum gap of 120 days under the Companies Act, 2013.

(ii). MEETING OF INDEPENDENT DIRECTORS

A separate meeting of independent directors was held on 25th July, 2018.

(iii). AUDIT COMMITTEE

The Audit Committee met Four (4) times during the year. The Chairman of the committee was Shri R.P. Joshua. The attendance of members as under:

Name of the Director	Total Number of Meetings held	Number of Meetings Attended	Date of Meeting			
			17 th May'2018	25 th July'2018	22 nd Sep.'2018	12 th Jan.'2019
Shri B. Anandkumar	4	4	✓	✓	✓	✓
Shri R.P. Joshua	4	4	✓	✓	✓	✓
Shri S. Ponraj	4	4	✓	✓	✓	✓

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(iv). NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee met Two (2) times during the year. The Chairman of the committee was Shri R.P. Joshua. The attendance of members as under:

Name of the Director	Total Number of Meetings held	Number of Meetings Attended	Date of Meeting	
			25 th July'2018	12 th Jan.'2019
Shri S. Ponraj	2	2	✓	✓
Shri R.P. Joshua	2	2	✓	✓
Shri Ramnath Dureja	2	2	✓	✓

(v). CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee met Two (2) times during the year. The Chairman of the committee was Shri S. Ponraj. The attendance of members as under:

Name of the Director	Total Number of Meetings held	Number of Meetings Attended	Date of Meeting	
			25 th July'2018	12 th Jan.'2019
Shri R. Baskaran	2	2	✓	✓
Shri S. Ponraj	2	2	✓	✓
Shri Ajay J Shah	2	2	✓	✓

(vi). SHARE TRANSFER COMMITTEE

The Share Transfer Committee met Four (4) times during the year. The Chairman of the committee was Shri R.P. Joshua. The attendance of members as under:

Name of the Director	Total Number of Meetings held	Number of Meetings Attended	Date of Meeting			
			17 th May'2018	25 th July'2018	22 nd Sep.'2018	12 th Jan.'2019
Shri R. Baskaran	4	4	✓	✓	✓	✓
Shri B. Anandkumar	4	4	✓	✓	✓	✓
Shri R.P. Joshua	4	4	✓	✓	✓	✓

21). INTERNAL FINANCIAL CONTROLS WITH RESPECT TO FINANCIAL STATEMENTS:

The company has evaluated the Internal Financial Controls which provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes and policies, safeguarding of assets, prevention and detection of frauds, accuracy and completeness of accounting records. The Management team conducts internal audits and provide internal Audit Reports which are reviewed periodically by Audit Committee and by the Board when required. Further, the Board annually reviews the effectiveness of the Company's overall Internal Control System. The Board of Directors confirm that the Internal Financial Controls are adequate with respect to the financial statements of the Company. A report of 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 2019 no frauds were reported by the Company or by the auditors under Section 143(12) of the Companies Act, 2013.

22). STATUTORY AUDITOR

The Independent Auditor's Report issued by the aforesaid Auditor 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 Auditor in their Report.

23). 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, 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 Board of Directors have appointed Ramakrishnan & Co., Cost Accountants as Cost Consultant of the Company.

24). MATERIAL CHANGES OCCURRED AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY DURING THE FINANCIAL YEAR ENDED 31st MARCH 2019 OR BETWEEN THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

No material changes have occurred and commitments incurred which has affected the financial position of the Company during the financial year ended 31st March, 2019 or would affect the financial position of the Company between the end of the financial year 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 B** and is attached to this report.

26). PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Pursuant to Section 134 (3) (h) of the Act, 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 were duly approved by the Audit Committee. There was one transaction which was not in the ordinary course of business for which the Audit Committee made a recommendation and sought approval of the Board. There were no materially significant related party transactions made by the company with Promoters or Relative 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 transaction with related parties as per provisions of accounting standard 18 have been disclosed in Note 25 of the Notes forming part of the financial statements.

27). EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORTS

There were no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report.

28). SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

29). DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

30). SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2019 was ₹ 3,52,65,040/- (divided into 35,26,504 Equity shares of ₹ 10/- each). During the year under review, the Company has not issued any fresh equity shares. The Company has

- (i). not bought back any of its securities during the year under review.
- (ii). not issued any Sweat Equity Shares during the year under review.
- (iii). not issued any Bonus Shares during the year under review.
- (iv). has not provided any Stock Option Scheme to the employees.

31). DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (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 2018-19

No. of complaints received : Nil

No. of complaints disposed off : Nil

32). 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.

33). 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 2019 which may impact the going concern status of the company or its future operations.

34). 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 during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by all its employees.

For and on behalf of the Board

Place : Coimbatore
Date : 27th July 2019

R. BASKARAN
Chairman & Managing Director

ANNEXURE TO DIRECTORS' REPORT

Information as per section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2019

ANNEXURE A

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 undertaken and a reference to the web-link to the CSR policy and Projects/Programs

The company aims to carry out activities involving budgeted financial outlay for the purpose of promoting the overall social welfare and development of the environment and wellbeing of people. The CSR Activities shall be undertaken as far as may be possible for the benefit of people in the local areas. 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.

1. Education, skill development of rural uneducated youth
2. Health care
3. Sustainable Livelihood
4. Basic Infrastructure Development
5. 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 ("Act"), which currently comprises :

Shri R. Baskaran, (Chairman & Managing Director)
Shri S. Ponraj, (Independent Director) and Chairman of the Committee
Shri Ajay J Shah, (Non-Executive Director)

The Committee met twice during the year under review

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

Average Net Profit : ₹ 1715.21 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.

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

The prescribed CSR expenditure for Financial Year 2018-19 was ₹ 34.30 Lakhs. However, the Company spent ₹ 34.66 Lakhs as CSR expenditure.

5. Details of CSR spent during FY 2018-19 :

- (a). Total amount to be spent : ₹ 34.30 Lakhs
 (b). Amount unspent, if any : Nil
 (c). Manner in which the amount was spent during Financial Year 2018-19 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.	Charity Expenses	Eradicating hunger and malnutrition	Coimbatore, Tamilnadu	4.04	4.04	-	27.25 (Since 2015-16)	Direct	
		Disaster relief thru food supply	Tamilnadu	0.37	0.37	-			
2.	Drinking Water to Village People	Making available safe drinking water.	Arasur Village, Coimbatore, Tamilnadu	1.85	1.85	-	7.15 (Since 2015-16)	Direct	
3.	Education Fee	Promoting Education	Tamilnadu	28.40	28.40	-	76.59 (Since 2015-16)	Direct	
Total				34.66	34.66	-	110.99		

6. In case the Company has failed to spend the two per cent 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

Not applicable.

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

S. PONRAJ

Chairman of the Committee

Place : Coimbatore

Date : 27th July 2019

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ANNEXURE B

A. CONSERVATION OF ENERGY :

1. Energy conservation Measures Taken :

The company continues its efforts to improve energy conservation.

2. Additional investments and proposals if any, being implemented for reduction of

Consumption of energy : *NIL*

3. Impact of the measures of (1) & (2) above for reduction of energy consumption and consequent impact on the cost of production of goods: *No Significant Improvements due to frequent power cuts.*

4. Total energy consumption and energy consumption per unit of production :

As per prescribed Form "A" below

FORM A

Form for Disclosure of Particulars with respect to Conservation of Energy.

A. Power and fuel consumption

Electricity	2018-19	2017-18
a). Purchased		
No. of Units	23043466	20739227
Total amount (₹)	193006776	177317031
Rate/Unit (₹)	8.36	8.85
b). Own Generation		
i. Through diesel Generator Unit		
No. of Units	294657	200024
Units per Ltr. of diesel oil.	3.29	3.34
Cost/units (₹)	21.35	17.20
ii. Through Wind turbine generator		
No. of Units	10025774	13146908
Total amount (₹)	65944091	83997975
Rate/Unit (₹)	6.58	6.39
iii. Through Solar Plant		
No. of Units	254192	286296
Total amount (₹)	1614118	1817980
Rate/Unit (₹)	6.35	6.35

B. Consumption per unit of production

Sl. No.	Products	Standards (If any)	2018-19	2017-18
1.	Total Electricity Consumption (in Units)	Nil	23338123	20939251
2.	Total Quantity Manufactured (in Kgs.)	Nil	6278365	5777995
3.	Electricity Consumption (Per Kg.)	Nil	3.72	3.62

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B. TECHNOLOGY ABSORPTION

FORM B

RESEARCH AND DEVELOPMENT (R&D)

1.	Specific areas in which R & D carried out by the Company.	Research is undertaken for Development of high quality Castings.
2.	Benefits derived as a result of the above R&D	Quality of Castings is improving constantly.
3.	Future plan of action	Research in reduction of cost of Production.
4.	Expenditure on R&D	Expenses are negligible and hence absorbed in the regular expenses.

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

1.	Efforts, in brief, made towards technology absorption, adoption and innovation	Nil
2.	Benefits derived as a result of the above efforts e.g., product improvement, cost reduction, Product development, import substitution etc.,	Not Applicable
3.	In case of imported technology following Information may be furnished	Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1.	Activities relating to exports	The Company exploring overseas markets constantly.
2.	Initiatives taken to increase exports and development of new export markets for products & services and export plans	The officers of the company have undertaken an extensive tour of Europe for developing the exports.
3.	Total foreign exchange used and earned (₹ in Lakhs)	Used : ₹ 2153.09 Earned : ₹ 19085.26

For and on behalf of the Board

Place : Coimbatore
Date : 27th July 2019

R. BASKARAN
Chairman & Managing Director

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

Report on the Audit of the Financial Statements

Opinion :

I have audited the financial statements of **Anugraha Valve Castings Limited.**, ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, 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 2019, its Profit, Changes in equity and its cash flows for the year ended on that date.

Basis for opinion

I conducted my audit in accordance with the **Standards on Auditing** specified U/s.123 (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.

Key audit matters

Key audit matters are those matters that, in my professional judgment, I am 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, Business Responsibility 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 required to report that fact. I have nothing to report in this regard.

Responsibilities of Management's 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 deducting 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 SA's, 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 override 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)(i) 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 123 (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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Sec.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 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 : 27th July 2019

CA R. Maheswaran
Chartered Accountant
Membership No.028062

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. Accordingly, paragraph 3 (iii) of the order is not applicable.
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 applies and, in respect of certain loans necessary disclosure requirements as per Sec 189 have been complied with.
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 2019 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.

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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 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 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 : 27th July 2019

CA R. Maheswaran
Chartered Accountant
Membership No.028062

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 March 31, 2019, 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 March 31, 2019, 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 : 27th July 2019

CA R. Maheswaran
Chartered Accountant
Membership No.028062

Anugraha Valve Castings Limited

27th Annual Report

BALANCE SHEET AS AT 31st March, 2019

(₹ in Lakhs)

Particulars	Note No.	Figures as at the end of the Current reporting period 31 st March, 2019	Figures as at the end of the Previous reporting period 31 st March, 2018
I. EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity Share Capital	1	352.65	352.65
(b) Reserves and Surplus	2	17845.55	16555.54
(2) LIABILITIES			
(2.1) Non-Current Liabilities			
(a) Long term borrowings	3	908.69	0.00
(b) Deferred Tax Liabilities (Net)	4	1000.28	1051.68
(2.2) Current Liabilities			
(a) Short- Term Borrowings	5	2808.99	724.49
(b) Trade payables	6	887.20	470.07
(c) Other Current Liabilities	7	236.78	199.77
(d) Short-Term Provisions	8	795.54	831.69
TOTAL EQUITY AND LIABILITY		24835.68	20185.88
II. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment			
(i). Tangible Asset	9	9313.24	8768.15
(ii). Capital Work In Progress	9	3127.57	119.64
(b) Long term Loans and advances	10	306.66	285.67
(2) Current Assets			
(a) Inventories	11	4383.33	3209.64
(b) Trade Receivables	12	4851.30	4932.78
(c) Cash and cash equivalents	13	384.39	405.44
(d) Short – Term Loans and advances	14	556.40	0.69
(e) Other Current assets	15	1912.79	2463.87
TOTAL ASSETS		24835.68	20185.88

- See accompanying notes to financial statements

To be read with my report annexed herewith

R. BASKARAN

Chairman & Managing Director

B. ANANDKUMAR

Joint Managing Director

CA R. MAHESWARAN

Chartered Accountant

M. No. : 028062

Place : Coimbatore

Date : 27th July 2019

Anugraha Valve Castings Limited

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

Particulars	Note No.	Figures as at the end of the Current reporting period 31 st March, 2019	Figures as at the end of the Previous reporting period 31 st March, 2018
REVENUE			
I. Revenue from Operations			
Sale of products	16	21051.24	17520.46
Other operating revenue	16	1622.50	1586.53
		22673.74	19106.99
II. Other Income	17	610.97	611.46
III. Total Revenue (I+II)		23284.71	19718.45
EXPENSES			
Cost of materials consumed	18	6593.77	4912.80
Other Manufacturing Expenses	19	10073.16	8824.13
Changes in stock - WIP		(606.19)	(599.27)
Employee benefits expense	20	3684.75	3290.51
Finance Costs	21	38.52	10.36
Depreciation	09	745.97	726.83
Other expenses	22	1698.73	1473.79
IV. Total Expenses		22228.71	18639.14
V. Profit Before Exceptional and Extraordinary Items (III-IV)		1056.00	1079.31
VI. Exceptional Items - Income Tax for Earlier Years		0.00	0.00
VII. Profit Before Extraordinary Items (V-VI)		1056.00	1079.31
VIII. Profit before Tax (PBT) Extraordinary Items		1056.00	1079.31
IX. Tax Expense of Continuing Operations:			
Current Tax		138.00	187.00
Deferred Tax		(51.39)	39.24
Tax Relating to Earlier Years		(355.29)	(50.04)
X. Profit/(loss) for the period from continuing operations (VIII-IX)		1324.68	903.11
XI. Profit/(loss) for the period [Profit After Tax (PAT)]		1324.68	903.11
XII. Earnings per equity share - Basic & Diluted		37.56	25.61

To be read with my report annexed herewith

R. BASKARAN

Chairman & Managing Director

B. ANANDKUMAR

Joint Managing Director

CA R. MAHESWARAN

Chartered Accountant

M. No. : 028062

Place : Coimbatore

Date : 27th July 2019

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, 2019	Figures as at the end of the Previous reporting period 31 st March, 2018
A. Cash Flow from Operating Activities		
Net Profit before Tax	1056.00	1079.31
Adjustment for Depreciation	745.97	726.83
Finance Cost	38.52	10.36
(Profit)/Loss on Sale of Property, Plant and Equipment	18.18	4.18
CSR Expenditure	(34.66)	(26.31)
Deferred Tax Income	0.00	0.00
Operating Profit before working capital changes	1824.01	1794.37
(Increase)/Decrease in Inventories	(1173.69)	(819.43)
(Increase)/Decrease in Sundry Debtors	81.47	(1106.17)
(Increase)/ Decrease in Loans and Advances	(555.71)	46.78
(Increase)/ Decrease in Other Current Asset	551.08	472.61
(Increase)/ Decrease in Trade Payables	417.13	69.92
Increase/(Decrease) in Current Liabilities	37.01	0.00
Increase/(Decrease) in Provisions	(36.15)	(1.94)
Cash from Operating Activities	1145.15	456.14
Less:		
Tax Relating to Current Year	138.00	187.00
Tax Relating to earlier years	(355.29)	(50.04)
Net Cash from Operating Activities	1362.44	319.18
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	(4328.33)	(1703.97)
Proceeds from Sale of Property, Plant and Equipment	11.15	11.49
Security Deposits Made	(20.99)	0.00
Net Cash from Investing Activities	(4338.16)	(1692.48)
C. Cash Flow from Financing Activities		
Dividend and Distribution Tax	0.00	(84.89)
Increase/(Decrease) in Bank Borrowings- Short Term	2084.51	724.49
Increase/(Decrease) in Bank Borrowings- Long Term	908.69	0.00
Interest on Bank Borrowings	(38.52)	(10.36)
Net Cash Flow from Financing Activities	2954.68	629.24
Increase/(Decrease) in Cash and Cash equivalents	(21.05)	(744.06)
Cash and Cash equivalents at the beginning of the year	405.43	1149.49
Cash and Cash equivalents at the end of the year	384.38	405.43

To be read with my report annexed herewith

R. BASKARAN

Chairman & Managing Director

B. ANANDKUMAR

Joint Managing Director

CA R. MAHESWARAN

Chartered Accountant

M. No. : 028062

Place : Coimbatore

Date : 27th July 2019

Anugraha Valve Castings Limited

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

1. SHARE CAPITAL

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

(₹ In Lakhs)		
Particulars	Figures as at the end of the Current reporting period 31 st March, 2019	Figures as at the end of the Previous reporting period 31 st March, 2018
Authorized Share Capital		
4040000 Equity Shares of ₹ 10/- each (Previous year 40,40,000 equity shares of ₹ 10/- each)	404.00	404.00
1000000 Unclassified shares of ₹ 10/- each (Previous year 1000000 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 as the beginning of the year	35 26 504	35 26 504
Number of shares outstanding as at the end of the year	35 26 504	35 26 504

(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	8 17 731	23.19%
2.	B. GRAHALAKSHMI	7 00 490	19.86%
3.	B. ANANDKUMAR	6 63 862	18.82%
4.	A. KAVITHA	6 18 357	17.53%
5.	A. NIKITA	2 09 761	5.95%
Total		30 10 201	85.35%

Anugraha Valve Castings Limited

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2019

2. RESERVES AND SURPLUS

(₹ In Lakhs)				
Particulars	Figures as at the end of the Previous reporting period 31 st March, 2018	Additions during the year	Deductions during the year	Figures as at the end of the Current reporting period 31 st March, 2019
General Reserve	2115.65	132.46	0.00	2248.11
Surplus	14439.89	1324.67	167.12	15597.44
Total	16555.54	1457.13	167.12	17845.55

Note: Deductions during the year	31 st March, 2019
Transfer to General Reserve	132.46
Dividend	0.00
Corporate Dividend Tax	0.00
CSR Expenditure	34.66
Total	167.12

3. LONG TERM BORROWINGS

Particulars	Figures as at the end of the Current reporting period 31 st March, 2019	Figures as at the end of the Previous reporting period 31 st March, 2018
Term Loan From Banks		
-Term Loan from M/s State Bank of India, Commercial Branch, Coimbatore	908.69	0.00
Total	908.69	0.00

4. DEFERRED TAX LIABILITIES (NET)

Deferred Tax liabilities	1000.28	1051.68
Total	1000.28	1051.68

5. SHORT-TERM BORROWINGS

(A) LOANS REPAYABLE ON DEMAND		
Secured		
Working Capital Loans from M/s. State Bank of India, Commercial Branch, Coimbatore, repayable on demand.	2808.99	724.49
The above loan is guaranteed by Directors Shri R. Baskaran and Shri B. Anandkumar and also by Mrs. B. Grahalakshmi (W/o Mr. R. Baskaran) and Mrs. A. Kavitha (W/o Mr. B. Anandkumar)		
Total	2808.99	724.49

Anugraha Valve Castings Limited

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2019

6. TRADE PAYABLES

(₹ In Lakhs)		
Particulars	Figures as at the end of the Current reporting period 31 st March, 2019	Figures as at the end of the Previous reporting period 31 st March, 2018
Trade Payables	712.91	470.07
Due to Micro, Small and Medium Enterprises	174.29	0.00
Total	887.20	470.07

7. OTHER CURRENT LIABILITIES

Unpaid/unclaimed dividends	14.04	20.25
Interest Accrued and due on borrowings	0.00	0.00
Other payables	222.74	179.52
Total	236.78	199.77

8. SHORT-TERM PROVISIONS

Employee Benefits Payable	657.54	644.69
Provision for income tax	138.00	187.00
Total	795.54	831.69

10. LONG-TERM LOANS AND ADVANCES

(A) Security Deposits		
(i) Secured, Considered good	0.00	0.00
(ii) Unsecured, Considered good	298.56	281.07
(iii) Doubtful	0.00	0.00
Total (A)	298.56	281.07
(B) Others – Rent Advance etc.		
(i) Secured, Considered good	0.00	0.00
(ii) Unsecured, Considered good	8.10	4.60
(iii) Doubtful	0.00	0.00
Total (B)	8.10	4.60
Total [(A)+(B)]	306.66	285.67

11. INVENTORIES

(a) Raw Materials	1170.02	791.48
(b) Work-in-progress	2546.58	1940.40
(c) Stores and spares	500.29	422.73
(d) Patterns and Tools	166.44	55.03
Total	4383.33	3209.64

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	Deletion during the year	As on 31 st March, 2019	As on 01 st April 2018	For the year	Adjustment during the year	As on 31 st March, 2019	As on 31 st March 2018	As on 31 st March, 2019
1. Land	807.26	0.00	0.00	807.26	0.00	0.00	0.00	0.00	807.26	807.26
2. Buildings	3961.21	87.75	0.00	4048.96	941.94	138.93	0.00	1080.87	3019.28	2968.09
3. Plant & Equipment	6772.01	1083.26	22.87	7832.40	3700.46	326.10	20.33	4006.23	3071.55	3826.17
4. Wind Mills	3311.87	0.00	0.00	3311.87	2445.28	103.87	0.00	2549.15	866.59	762.72
5. Solar Plant	497.02	0.00	0.00	497.02	256.32	30.17	0.00	286.49	240.71	210.53
6. Furniture & Fixtures	970.77	10.50	0.00	981.27	606.60	53.44	0.00	660.04	364.17	321.23
7. Vehicles	364.08	87.04	70.89	380.23	124.94	36.16	44.69	116.41	239.14	263.82
8. Office equipments	468.57	51.84	15.01	505.40	312.39	54.50	14.43	352.46	156.18	152.94
9. 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	9060.58	8768.15	9313.24

Capital Work in Progress	2017-18	2018-19
Building	5.32	1153.21
Computers	0.00	1.54
Machinery	114.32	776.85
Land	0.00	1195.97
Total	119.64	3127.57

Anugraha Valve Castings Limited

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2019

12. TRADE RECEIVABLES

(₹ In Lakhs)		
Particulars	Figures as at the end of the Current reporting period 31 st March, 2019	Figures as at the end of the Previous reporting period 31 st March, 2018
(A) Trade receivables outstanding for more than six months		
(i) Unsecured, Considered good	11.65	167.40
(B) Trade receivables (others)		
(i) Unsecured, Considered good	4839.65	4765.38
Total	4851.30	4932.78

13. CASH AND CASH EQUIVALENTS

(A) Balance with Banks		
(I) Earmarked Bank Balances		
(i) Unpaid dividend bank account	14.04	20.25
(II) Other bank balances		
(i) Bank deposits with more than 12 months	0.87	0.82
(ii) Others	356.20	367.21
(B) Cheques on hand	0.00	0.00
(C) Cash on hand	13.28	17.16
TOTAL (A)+(B)+(C)	384.39	405.44

14. SHORT TERM LOANS AND ADVANCES

A. Loans and Advances to Related Party		
(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 (A)	553.85	0.00
B. Others-Rent, Salary & Bonus		
(i) Secured, Considered good	0.00	0.00
(ii) Unsecured, Considered good	2.55	0.69
(iii) Doubtful	0.00	0.00
Total (B)	2.55	0.69
TOTAL (A)+(B)	556.40	0.69

15. OTHER CURRENT ASSETS

Advances recoverable in cash or in kind or for value to be received	1221.65	1006.96
Advance Income Tax & Refund due	425.00	550.00
Prepaid Expenses	34.31	83.80
Excise Credit Taken	0.00	1.44
Receivable GST	29.00	369.97
Rebate Receivable IGST	186.51	435.36
Receivable from TNEB	12.82	12.82
Others	3.50	3.52
Total	1912.79	2463.87

Anugraha Valve Castings Limited

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2019

16. REVENUE FROM OPERATIONS

(₹ In Lakhs)		
Particulars	Figures as at the end of the Current reporting period 31 st March, 2019	Figures as at the end of the Previous reporting period 31 st March, 2018
(A) Sale of Products		
- Finished Goods	20688.27	17291.82
- Patterns	291.16	265.02
- Waste	27.73	21.31
- Tools	44.08	16.06
Less : Excise Duty	0.00	73.75
Total (A)	21051.24	17520.46
(B) Other Operating Revenue		
- Export Incentives	946.92	728.37
- Power Generation Income	675.58	858.16
Total (B)	1622.50	1586.53

17. OTHER INCOME

- Interest Income	189.52	30.29
- Deferred Tax Reversal	0.00	0.00
- Profit on Sale of Assets	0.02	1.42
- Rent Received	1.02	0.98
- Miscellaneous Receipts	45.10	43.36
- Foreign Exchange Rate Fluctuation	375.31	535.42
Total	610.97	611.46

18. COST OF MATERIAL CONSUMED

Raw material consumed	6593.77	4912.80
Total	6593.77	4912.80

19. OTHER MANUFACTURING EXPENSES

Power and Fuel	2214.27	1992.01
Stores & Spares, Packing Material Consumed	3510.15	3196.66
Transport Charges for purchases	239.18	283.59
Testing Charges Paid	312.45	203.87
Quality Certification Expenses	271.39	305.36
Repairs - Plant and Machinery	505.24	454.32
Maintenance – Electricals	58.54	52.28
Repairs - Factory Buildings	41.54	32.91
Labour Charges	2920.40	2303.14
Total	10073.16	8824.13

Anugraha Valve Castings Limited

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2019

20. EMPLOYEE BENEFIT EXPENSES

(₹ In Lakhs)		
Particulars	Figures as at the end of the Current reporting period 31 st March, 2019	Figures as at the end of the Previous reporting period 31 st March, 2018
Salaries, wages and bonus	3228.87	2785.93
Contribution to PF, ESI and Gratuity	335.11	389.30
Staff Welfare Expenses	120.77	115.28
Total	3684.75	3290.51

21. FINANCE COSTS

Interest Expense	38.52	10.36
Total	38.52	10.36

22. OTHER EXPENSES

Rent	35.68	31.58
Insurance	43.71	67.60
Rates and Taxes	87.48	74.56
Donation	31.38	0.67
Payment to Statutory Auditors		
For Financial Audit	2.50	2.00
For Tax Audit	1.00	0.50
For Others		
- Taxation Matters	3.25	2.63
- Others	1.03	1.38
Transportation, Forwarding and Clearing charges	429.91	226.84
Bank Charges	68.12	47.75
Telephone, Postage, Printing and Stationery	39.69	44.80
Loss on Sale of Assets and Discardment	18.20	5.60
Travelling and Vehicle Maintenance	93.37	76.07
Legal, Professional and Consultancy Charges	110.46	100.53
Selling Expenses	52.66	79.02
Directors' Sitting Fees	3.00	3.01
Directors' Remuneration	602.50	600.46
Computer Maintenance and Office Equipments	35.06	44.67
Security Service Charges	0.59	10.29
Pollution Control Expenses	24.00	35.29
Training Expenses	1.14	1.63
Others	14.00	16.92
Total	1698.73	1473.79

Selling Expenses

Advertisement	11.73	8.57
Sales Promotion	21.46	52.69
Packing Expenses	19.47	17.76
Total	52.66	79.02

Anugraha Valve Castings Limited

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2019

23. DISCLOSURE IN RESPECT OF ACCOUNTING STANDARD-15 “EMPLOYEE BENEFITS” NOTIFIED IN THE COMPANIES (ACCOUNTING STANDARDS) RULE 2007

Particulars	(₹ In Lakhs)	
	Gratuity (funded)	
	2018-19	2017-18
Expenses Recognized during the year		
Current Service Cost	53.36	43.81
Interest Cost	38.71	33.17
Expected Return on Plan assets	(41.66)	(35.28)
Actuarial Loss/(Gain) during the year	6.11	34.76
Expenses recognized in profit & Loss Account	56.52	76.46
Actual Return on Plan Assets		
Expected Return on Plan assets	41.66	35.28
Actual Return on Plan assets	41.66	35.28
Net Asset/(Liability) recognized in the Balance Sheet		
Present value of the obligation at the year end	541.88	483.91
Fair Value of Plan assets at the year end	608.94	504.17
Funded Status - Surplus/(deficit)	67.66	20.26
Net Asset/(Liability) recognized in the Balance Sheet	67.66	20.26
Change in Present value of obligation during the year		
Present value of obligation at the beginning of the year	483.91	414.65
Current Service Cost	53.36	43.80
Interest Cost	38.71	33.17
Benefits paid	(40.21)	(42.48)
Actuarial loss/(gain) on obligation	6.11	34.76
Present value of obligation at the year end	541.87	483.91
Changes in Assets during the year		
Fair Value of plan assets at the beginning of the year	504.18	442.75
Expected return on plan assets	41.66	35.28
Contributions made	103.31	68.63
Benefits Paid	(40.21)	(42.48)
Fair value of plan assets at the year end	608.94	504.17
Actuarial Assumptions		
Discount Rate	7.5%	8%
Salary Escalation	7%	7%

Anugraha Valve Castings Limited

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24. 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, 2019 is as under:

Statement of Profit & Loss of Wind Turbine Generator and Solar Plant for the year ended 31st March 2019

(₹ In Lakhs)		
Particulars	2018-19	2017-18
A. Wind Turbine Generator Income		
Power Generation Income	659.44	839.98
Total (A)	659.44	839.98
Expenditure		
Maintenance & Banking Charges	165.34	145.81
Depreciation	103.87	118.10
Total (B)	269.21	263.91
Net Profit / (Loss) (A-B)	390.23	576.07
B. Solar Plant Income		
Power Generation Income	16.14	18.18
Total (A)	16.14	18.18
Expenditure		
Depreciation	30.17	34.49
Total (B)	30.17	34.49
Net Profit/(Loss) (A-B)	(14.03)	(16.31)

Carrying Amount of Assets and Liabilities relating to the Segment as at 31st March 2019

Assets	2018-19	2017-18
Land	95.20	95.20
Wind Turbine Generators	3311.87	3311.87
Solar Plant	497.02	497.02
Liabilities		
Term Loan with the State Bank of India (for Solar Plant)	0.00	0.00

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

Name of the Related Party	Nature of transaction	2018-19	2017-18
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	12.00	12.00
Nikita Educational Advisory Board	Rent	(0.90)	(0.90)

Anugraha Valve Castings Limited

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26. DISCLOSURES IN RESPECT OF PROVISIONS PURSUANT TO ACCOUNTING STANDARD-29

(₹ In Lakhs)					
Particulars	Opening balance 1 st April 2018	Provided During the year	Utilized / Paid during the year	Reversed during the year	Closing balance 31 st March, 2019
Provision for Income Tax	187.00	138.00	187.00	0.00	138.00

27. EARNINGS PER SHARE

Particulars	2018-19	2017-18
i). Profit after Tax	918.00	853.06
Extra-ordinary Items		
Less: Income tax for earlier years	(355.29)	(50.04)
Less: Deferred Tax Reversal	(51.39)	0.00
ii). Profit after tax after Extra-ordinary Items	1324.68	903.11
iii). No. of equity shares of ₹ 10/- each (No. in Lakhs)	35.27	35.27
iv). Basic Earnings per Share (₹)	37.56	25.61

28. NOTES ATTACHED AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

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. 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
- a) Raw materials, Stores and Spares at moving average cost.
 - b) Work-in-progress stock at Material Cost plus conversion cost at the stage of completion.
 - c) 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:
- a. 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.
 - b. Post Retirement
Post Retirement Benefit comprise of Provident Fund and Gratuity which are accounted as follows:
 - i. 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.
 - ii. 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 a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2019

(₹ In Lakhs)		
Particulars	2018-19	2017-18
A. Expenditure in Foreign Currency		
a). Foreign Traveling Expenses	13.81	8.99
b). Interest and charges	22.60	16.95
c). Import Raw Materials	740.96	596.53
d). Import Machineries & Spares	1333.30	464.32
e). Professional & Consulting Fees	11.45	28.72
f). Others	30.97	24.09
Total	2153.09	1139.60
B. Earnings in Foreign Exchange		
Export of goods calculated on FOB basis	19085.26	15796.88
C. Auditors Remuneration		
To Statutory Auditors'		
For Financial Audit	2.50	2.00
For Tax Audit	1.00	0.50
D. Since the Company does not have any Non-resident shareholders, disclosure of particulars of foreign currency remittance on account of dividend does not arise.		

III. Nature of Charge created against Secured Loans

- a. The term loans were primarily secured by the Property Plant & Equipment of the Company and that of working capital loans by the entire current assets of the Company.
- b. Fund based working capital facilities of ₹ 3000 lakhs have been segregated in to pre-shipment credit limit or Bill Discounting Limit according to the requirement of the company.

IV. Taxation – Deferred tax

The deferred tax liability on account of depreciation as at 31st March, 2019 is ₹10,00,28,476/- (Previous year : ₹ 10,51,67,844/-).

No deferred tax asset created using the current tax rates in the accounts for the year 31st March, 2019 for the timing differences.

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

(₹ In Lakhs)		
Sl. No.	Particulars	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	174.29
	b. Interest Due	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	174.29
	b. Interest paid beyond the Appointment date	Nil
3.	The amount of interest due and payable for the period of delay in making payment	Nil

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

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- VI.** The Company has sent confirmation letters to the creditors and debtors as on 31st March, 2019. The amount disclosed in the accounts is subject to any adjustments if any required on reconciliation of the balances.
- VII.** Previous year figures are regrouped and rearranged wherever necessary to suit this year's presentation.

To be read with my report annexed herewith

R. BASKARAN

Chairman & Managing Director

B. ANANDKUMAR

Joint Managing Director

CA R. MAHESWARAN

Chartered Accountant

M No.: 028062

Place : Coimbatore

Date : 27th July 2019

27th Annual General Meeting (AGM)

Date : 21st September 2019
 Day : Saturday
 Time : 10.35 AM
 Venue : **Sree Annapoorna Gowrishankar Hotels (P) Ltd**
 Saibaba Colony Branch, Sri Valli Complex,
 174, N.S.R. Road, Saibaba Colony,
 Coimbatore - 641 011

Route Map to AGM Venue



