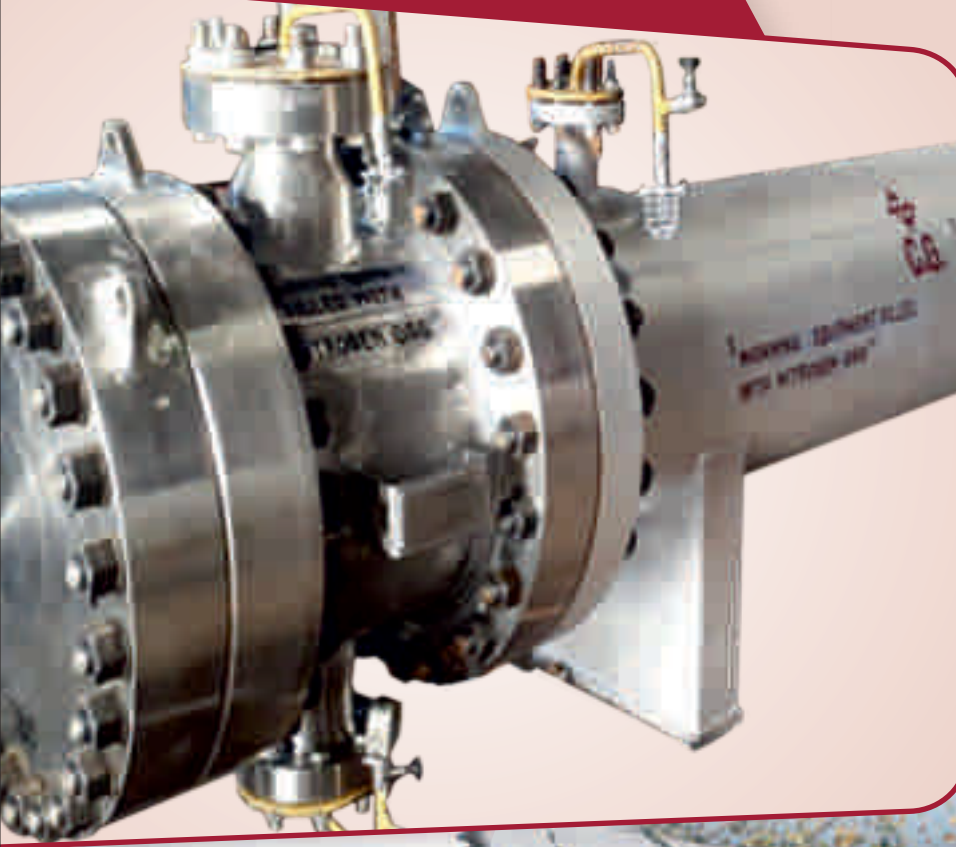


# 2<sup>nd</sup> Annual Report 2018-19

Engineering  
infinite  
possibilities



The Anup Engineering Limited



## WHO WE ARE

The Anup Engineering Limited is India's leading Heat Exchanger Manufacturer. The Company caters to wide range of process industries including Oil & Gas, Petrochemicals, LNG, Fertilizers, Chemicals/Pharmaceuticals, Power, Water, Paper & Pulp and Aerospace with its extensive product range of Heat Exchangers, Reactors, Pressure Vessels, Columns & Towers, Industrial Centrifuges & Formed Components. The Company has a state of the art manufacturing facility set up at Ahmedabad. It is an ISO 14001:2015, ISO 9001:2015, OHSAS 18001:2007 compliant company accredited with ASME U, U2, S and R stamps, PED 97/23/EC, NB registration and approved by IBR. It is one of the pioneers to set-up dish end manufacturing facility way back in Seventies. In fact, Company was one of first fabricators approved by ISRO for supply of very critical and precise components for its various satellite launch vehicles programs.

The Company got listed on NSE and BSE on 1st March, 2019. The Anup Engineering Limited (Erstwhile subsidiary Company of Arvind Limited) originally incorporated in the year 1962 under the Companies Act, 1956. In the year 2017 a holding Company Arvind Limited had decided to demerge its subsidiary The Anup Engineering Limited as separate entity under the provisions of sections 230 to 232 read with section 66 and other applicable provision of the Companies Act, 2013. The Hon'ble National Company Law Tribunal ("NCLT"), Bench at Ahmedabad, vide its Order dated 26th October 2018, has approved the Composite Scheme of Arrangement and that the Company was demerged from Arvind Limited and amalgamated in to Anveshan Heavy Engineering Limited (Transferee Company) and subsequently by virtue of said order the name of Anveshan Heavy Engineering Limited changed to The Anup Engineering Limited.



## Corporate Information

### **Board of Directors**

Mr. Sanjay S. Lalbhai	Chairman & Non-Executive Director
Mr. Punit S. Lalbhai	Non-Executive Director
Mr. Samvegbhai Lalbhai	Non-Executive Director
Mr. Arpit Patel	Independent Director
Mr. Ganpatraj Chowdhary	Independent Director
Ms. Reena Bhagwati	Independent Director

### **Audit Committee**

Mr. Arpit Patel	Chairman
Mr. Ganpatraj Chowdhary	Member
Ms. Reena Bhagwati	Member

### **Nomination and Remuneration Committee**

Mr. Arpit Patel	Chairman
Mr. Punit S. Lalbhai	Member
Mr. Ganpatraj Chowdhary	Member

### **Stakeholders Relationship Committee**

Mr. Punit S. Lalbhai	Chairman
Mr. Arpit Patel	Member
Mr. Ganpatraj Chowdhary	Member

### **Corporate Social Responsibility Committee**

Mr. Punit S. Lalbhai	Chairman
Mr. Arpit Patel	Member
Mr. Ganpatraj Chowdhary	Member

### **Key Managerial Personnel**

Mr. Rishi Roop Kapoor	Chief Executive Officer
Mr. Rakesh Kumar Poddar	Chief Financial Officer
Mr. Chintankumar Patel	Company Secretary

### **Auditors**

M/s. Sorab S. Engineer & Co.  
804, Sakar-IX, Besides Old RBI,  
Ashram Road, Ahmedabad – 380 009

### **Bankers**

ICICI Bank Limited  
HDFC Bank Limited  
Bank of Baroda

### **Registered/ Corporate Office**

The Anup Engineering Limited  
(Formerly Known as Anveshan Heavy Engineering Limited)  
CIN: L29306GJ2017PLC099085  
Behind 66 KV Elec. Sub-Station,  
Odhav Road, Ahmedabad- 382415  
Tel: +91 79 2287 2823, 2287 0622 Fax: +91 79 2287 0642  
Email: investorconnect@anupengg.com  
Website: www.anupengg.com

### **Registrar and Transfer Agents**

Link Intime India Private Limited  
506-508, Amarnath Business Centre-1 (abc-1),  
Beside Gala Business Centre,  
Near St. Xavier's College Corner, Off C G Road,  
Ellisbridge, Ahmedabad 380006  
Tel No : +91 79 26465179/86/87  
E-mail id : ahmedabad@linkintime.co.in  
Website : www.linkintime.co.in

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## Letter from the CEO

Dear Shareholder,

The success and tribulations of the past ignite the journey towards the future. If the last financial year 2018-19 is anything to go by, we are looking at another challenging, yet fulfilling year ahead of us.

The last financial year was witness to your company entering the segment of high end equipment for the fertilizer sector as well as for the BS6 projects in the refineries. On the execution front it was team work at its best to achieve successful completion and delivery of some of the most challenging equipment ever to our esteemed end users in refineries and fertilizers. We were able to strengthen our proprietary product portfolio through a technology tie-up for a globally established, advanced Heat Exchanger design.

On the financial front, the Revenue from Operations clocked double digit growth with ROCE of approx. ~ 18%. Profit Before Tax stood at ₹ 58.78 Crore (+12%). Profit After Tax was ₹ 41.98 crores and EPS stood at ₹ 41.19 on face value of ₹ 10/- each. The board has recommended a dividend of 70% i.e. ₹ 7/- per equity share of ₹ 10/- each for the year ended on 31st March, 2019, which is the highest so far.

In the recent years, the process equipment market in general and heat exchangers in particular, has witnessed significant advancements in technology owing to increasing demand for recovering valuable energy, reducing costs, and limiting environmental emissions. These developments include deployment of new and efficient heat exchangers, innovative heat transfer equipment designs, as well as the introduction of systems of heat exchangers in various industrial processes.

The overall market outlook for process equipment demand continues to be positive and that reflects in the enquiry pipeline that we already have. Whilst we are seeing traction in final investment decisions on several major projects across the global markets in traditional sectors like Refineries, Petrochemicals & Fertilizers, we have planned to enhance our market reach by increasing efforts in geographically new markets like the Middle East, Russia and the Americas and to focus on relatively newer Industrial sectors for us viz LNG, Coal Gasification, Water, Chemical, Pharmaceutical and Power. We are confident of creating more opportunities in the coming years to ensure optimal utilization of your company's growing engineering and manufacturing capabilities.

Significantly high opening order book for the year and augmented capacities and capabilities should accelerate sustainable and profitable growth of your company in medium to long term.

Apart from reaching out to new markets and expanding our product range to include the most critical equipment, we have also taken solid initial steps to hone and augment our substantial engineering skills and manufacturing capabilities to another level. We not only invested in latest design software but have built technically competent teams of engineers across functions. In a way we have laid the foundations to become a complete solutions provider in future with strong competencies built around our core competence which shall continue to be manufacturing. We have embarked on a Capex Plan of ₹ 150 Crore, phased over a 3 year period starting from Financial Year 2019-20. In Feb 2019 your company acquired land at Kheda (Approx. 40 kms. from Odhav facility in Ahmedabad) for building a modern, state of the art facility which shall be a major cog in the progress and growth in the coming years. We aim for a quantum leap in our productive capacity in phases, adapting well with the industry dynamics and evolving market scenarios in future.

The journey so far stands testimony to the nucleus of Anup's philosophy - unadulterated teamwork to keep our commitments. Kudos to Team - Anup for believing in this philosophy with heart and passion and living it day and night to script the milestones of this journey. Our customer centricity is the backbone of our resolve to innovate and evolve our capabilities to attain higher levels of customer satisfaction through differentiated offering and to continually strive to exceed expectations on every single opportunity won by your company.

This past year, our approach towards challenges - to learn from our mistakes, and to endeavour to achieve - has been instrumental in consolidating our position as one of the leading process equipment manufacturers. However, our quest to become better, continues.

**Best regards,**  
**Rishi Roop Kapoor**  
**Chief Executive Officer**

## Notice

Notice is hereby given that the 2nd (Second) Annual General Meeting of the Members of **The Anup Engineering Limited** (Formerly known as Anveshan Heavy Engineering Limited) will be held on Wednesday, 7th August, 2019 at 9:30 a.m. at J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015 to transact the following business:

### ORDINARY BUSINESS:

- 1 To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon.
- 2 To declare dividend on equity shares.
- 3 To appoint a Director in place of Mr. Sanjay S. Lalbhai (holding DIN 00008329), who retires by rotation in terms of Article 168 of the Articles of Association of the company and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

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

RESOLVED THAT pursuant to the provisions of Section 148 and other provisions, if any, of the Companies Act 2013, read with the Companies [Audit and Auditors] Rules, 2014 [including any statutory modification (s) or re-enactment (s) thereof for the time being in force], the consent of the members be and is hereby accorded to ratify the remuneration, decided by the Board of Directors on the recommendations of the Audit Committee, of ₹ 25,000 (Rupees Twenty Five Thousand) plus applicable taxes and reimbursement of out-of-pocket expenses in connection with the audit, payable to M/s. Maulin Shah & Associates, Cost Accountants, Ahmedabad, having Firm Registration No. 32503, appointed by the Board to conduct the audit of cost records maintained by the company in respect of Heat Exchangers / Pressure Vessels/ Columns/ Reactors etc. products for the Financial Year ended 31st March, 2020.

RESOLVED FURTHER THAT the Board of directors of the company be and is hereby authorized to do all such acts and take all such steps as maybe necessary, proper or expedient to give effect to this resolution.

- 5 To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Samveg bhai Lalbhai (DIN: 00009278) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 1st November, 2018 and holds office until the conclusion of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying the intention to propose appointment of Mr. Samveg bhai Lalbhai as a Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.

- 6 To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Arpit Patel (DIN: 00059914), who was appointed as Independent Director w.e.f. 1st November 2018 and who qualifies for being appointed as an Independent Director and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of five consecutive years up to 31st October 2023.

- 7 To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Ganpatraj Chowdhary (DIN: 00344816), who was appointed as Independent Director w.e.f. 1st November, 2018 and who qualifies for being appointed as an Independent Director and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of five consecutive years up to 31st October 2023.

- 8 To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Reena Bhagwati (DIN: 00096280), who was appointed as Independent Director w.e.f. 1st November, 2018 and who qualifies for being appointed as an Independent Director and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member proposing her candidature for the office of Director be and is hereby appointed as an Independent Director of

the Company, not liable to retire by rotation and to hold office for a term of five consecutive years up to 31st October 2023.

- 9 To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to Sections 197 and 198 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and subject to all approvals, permissions and sanctions as may be necessary, approval of the Company be and is hereby accorded for the payment of commission to the Director(s) of the Company who is / are neither in the whole time employment nor managing director(s), in accordance with and up to the limits not exceeding 1% as laid down under the provisions of Section 197 of the Act, computed in the manner specified in the Act, and be paid to the Directors of the Company or some or any of them (other than the Managing Director and Whole time Director(s)), for a period of 5 years from 1st April, 2019 to 31st March, 2024 in such manner and up to such amount within the above limit as the Board and/or Committee of the Board may, from time to time, determine.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and/or Committee constituted by the Board be and are hereby authorized to take all actions and do all such deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.

- 10 To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 42, 62(1)(b) of the Companies Act, 2013 (“the Act”) and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment of the Act for the time being in force and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto (“the SEBI ESOS Regulations”) as and when they become applicable to the Company, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the SEBI LODR Regulations”) as and when they become applicable to the Company, the Listing Agreement entered into with the Stock Exchange where the securities of the Company are listed and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals which may be agreed by the Board of Directors of the Company (which shall be deemed to include the Nomination and Remuneration Committee or any other Committee of the Board of Directors constituted by the Board, to exercise its powers including powers conferred by this Resolution) (hereinafter referred to as “the Board” or as “the Committee”), consent of the Shareholders be and is hereby accorded to create, offer, issue and allot at any time in one or more tranches to or for the benefit of such person(s) who are in permanent employment of the Company, whether working in India or out of India, including Director of the Company, whether Whole-time director or not, but excluding Promoter, Promoter group and independent Directors and such other persons as may from time to

time be allowed to be eligible for the benefit under the provisions of applicable laws and Regulations prevailing from time to time (hereinafter collectively referred to as “Employees”) selected on the basis of criteria decided by the Board such number of stock options exercisable into not more than 5,00,000 (Five Lakhs only) equity shares of the Company of face value of ₹ 10/- each, under one or more Employee Stock Option Schemes, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authority.

RESOLVED FURTHER THAT in case of any corporate action (s) such as rights issues, bonus issues, merger and sale of division and others, for the purpose of making a fair and reasonable adjustment, the number of options to be granted and / or the exercise price payable under the Schemes shall be appropriately adjusted, without affecting any other rights or obligations under the Schemes.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity shares upon exercise of options from time to time in accordance with the employee stock option Schemes and such Equity shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 10/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said option grantees.

RESOLVED FURTHER THAT the Board/Committee, be and are hereby authorized to settle all questions, difficulties or doubts that may arise in relation/reference to the amendment of the Scheme to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board/Committee be and is hereby authorized to vary, amend, modify or alter the terms of the Scheme in accordance with and subject to the terms of the Act and any Guidelines, Rules or Regulations that may be issued by any regulatory/statutory authority, as applicable.

RESOLVED FURTHER THAT the Board/Committee, be and is hereby severally authorized to do all such acts, deeds and things and execute all such deeds, documents and instruments and writings as may be necessary and incidental for giving effect to the above.

- 11 To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 42, 62(1)(b) of the Companies Act, 2013 (“the Act”) and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment of the Act for the time being in force and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the provisions of the Securities and Exchange

Board of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto (“the SEBI ESOS Regulations”) as and when they become applicable to the Company, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the SEBI LODR Regulations”) as and when they become applicable to the Company, the Listing Agreement entered into with the Stock Exchange where the securities of the Company are listed and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals which may be agreed by the Board of Directors of the Company (which shall be deemed to include the Nomination and Remuneration Committee or any other Committee of the Board of Directors constituted by the Board, to exercise its powers including powers conferred by this Resolution) (hereinafter referred to as “the Board” or as “the Committee”), consent of the Shareholders be and is hereby accorded to create, offer, issue and allot at any time to or for the benefit of such person(s) who are in permanent employment of the holding company and the subsidiaries of the Company (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time), whether working in India or out of India, including Director of the Company, whether Whole-time director or not, but excluding Promoter, Promoter group and independent Directors and such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and Regulations prevailing from time to time (hereinafter collectively referred to as “Employees”) selected on the basis of criteria decided by the Board such number of stock options exercisable into not more than 5,00,000 (Five Lakhs only) equity shares of the Company of face value of ₹ 10/- each, under one or more Employee Stock Option Schemes, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authority.

RESOLVED FURTHER THAT the maximum number of stock incentives granted to Eligible Employees of the Company, its holding Company and its subsidiaries under the scheme shall not cumulatively exceed 5,00,000 (Five Lakhs only) stock options exercisable into not more than 5,00,000 (Five Lakhs only) equity shares of face value ₹ 10/- each.

RESOLVED FURTHER THAT in case of any corporate action (s) such as rights issues, bonus issues, merger and sale of division and others, for the purpose of making a fair and reasonable adjustment, the number of options to be granted and / or the exercise price payable under the Schemes shall be appropriately adjusted, without affecting any other rights or obligations under the Schemes.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot Equity shares upon exercise of options from time to time in accordance with the employee stock option Schemes and such Equity shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Schemes shall automatically stand augmented or reduced,

as the case may be, in the same proportion as the present face value of ₹ 10/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said option grantees.

RESOLVED FURTHER THAT the Board/Committee, be and are hereby authorized to settle all questions, difficulties or doubts that may arise in relation/reference to the amendment of the Scheme to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board/Committee be and is hereby authorized to vary, amend, modify or alter the terms of the Scheme in accordance with and subject to the terms of the Act and any Guidelines, Rules or Regulations that may be issued by any regulatory/statutory authority, as applicable.

RESOLVED FURTHER THAT the Board/Committee, be and is hereby severally authorized to do all such acts, deeds and things and execute all such deeds, documents and instruments and writings as may be necessary and incidental for giving effect to the above.

**Registered Office:**

Behind 66 KV Elec. Sub-Station,  
Odhav Road,  
Ahmedabad-382415

**Date: 20th May, 2019**

**By order of the Board  
For The Anup Engineering Limited**

**Chintankumar Patel  
Company Secretary**

**NOTES**

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the business under Item No. 4 to 11 of the Notice, is annexed hereto. The relevant details, as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment/ re-appointment as a Director under Item No. 3,5,6,7 and 8 of the Notice are also annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of AGM. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution / authority, as applicable.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or member.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 1st August 2019 to Wednesday, the 7th August 2019 (both days inclusive).
4. Members, Proxies and Authorized Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID/Folio No.
5. The dividend on equity shares for the year ended 31st March, 2019, if declared at the meeting, will be paid/dispached on due date to those members whose names appear on the Company's Register of Members on 7th August, 2019 or on records of National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on 31st July 2019.
6. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrar and Transfer Agent, Link Intime India Pvt. Ltd. in case the shares are held by them in physical form.  
  
SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Link Intime India Pvt. Ltd.
7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Link Intime India Pvt. Ltd. for assistance in this regard.
8. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Link Intime India Pvt. Ltd., the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
9. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
10. Members intending to require information about Accounts in the Meeting are requested to inform the Company at least 7 days in advance of the AGM.
11. The Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent

by the permitted mode. Members may note that this Notice and the Annual Report 2018-19 will also be available on the Company's website [www.anupengg.com](http://www.anupengg.com) > Investor.

12. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs/Link Intime India Pvt. Ltd.
13. All documents referred to in the accompanying Notice of the AGM and explanatory statement shall be open for inspection without any fee at the registered office of the Company during normal business hours on any working day upto and including the date of the AGM of the Company.
14. The route map showing directions to reach the venue of the AGM is annexed with attendance slip.
15. Instructions for e-Voting:  
  
A separate sheet containing the complete details of the instructions for e-Voting is being sent to all the shareholders along with the Annual Report for the year 2018-19 to enable them to cast their votes through e-Voting.

**Registered Office:**

Behind 66 KV Elec. Sub-Station,  
Odhav Road,  
Ahmedabad-382415

**Date: 20th May, 2019****By order of the Board****For The Anup Engineering Limited**

**Chintankumar Patel**  
**Company Secretary**

**Explanatory Statement pursuant to Section 102(2) of the Companies Act, 2013:****Item No. 4**

The Board of Directors on the recommendation of the Audit Committee, re-appointed M/s. Maulin Shah & Associates, Cost Accountants, Ahmedabad as the Cost Auditors to carry out the audit of cost records of the Company for the financial year 2019-20 and fixed the remuneration of ₹ 25,000/- (Twenty Five Thousand Only) plus applicable taxes and out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies [Audit and Auditors] Rules, 2014, the remuneration fixed by the Board of Directors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is being sought for passing an Ordinary Resolution for ratification of remuneration payable to the Cost Auditors to carry out the audit of cost records of the Company for the financial year 2019-20.

None of the Directors and Key Managerial Personnel of the Company and their relatives, are in anyway concerned or interested in the said Resolution.

The Board recommends this Ordinary Resolution for your approval.

**Item No. 5**

Mr. Samveg bhai Lalbhai, was appointed as an Additional Director w.e.f 1st November, 2018. He holds a Bachelor's degree in Commerce from Gujarat University. He is actively associated with Ahmedabad Textile Mills Association, Ahmedabad Textile Industry's Research Association, Gujarat Chamber of Commerce and Industry and Indian Cotton Mills Federation. He is also associated with some of the social institutions established by Lalbhai Group.



In accordance with the provisions of Section 152 of the Companies Act, 2013, appointment of Director requires approval of members. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Samveg bhai Lal bhai as Non-Executive Director. Hence Board of Directors has proposed that Mr. Samveg bhai Lal bhai be appointed as the Non-Executive Director of the Company, who shall be liable to retire by rotation.

The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Samveg bhai Lal bhai for the office of Director of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Mr. Samveg bhai Lal bhai and his relatives are interested in this resolution. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this ordinary resolution.

The Board recommends this Ordinary Resolution for your approval.

#### **Item No. 6**

The Board of Directors of the Company ("the Board") on 1st November 2018, recommended the appointment of Mr. Arpit Patel as an Independent Director of the Company w.e.f. 1st November 2018 to the members, in terms of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations 2015"), or any amendment thereto or modification thereof and his appointment shall not be subject to retirement by rotation.

He is a senior Chartered Accountant with broad experience in handling assignments ranging from statutory audit to corporate advisory involving interplay of various laws. He has contributed as a Partner at M/s. Kantilal Patel & Co. and M/s. S. R. Batliboi & Co. LLP (a member firm of EY Global). He is a member of Audit Committee, Nomination and Remuneration Committee, Stakeholder relationship Committee and Corporate Social Responsibility committee of the Company. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Arpit Patel as an Independent Director. Mr. Arpit Patel fulfils the conditions specified in Section 149 (6) read with Schedule IV to the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Consent of the Members is required for appointment of Mr. Arpit Patel, in terms of Section 149 of the Act. Requisite Notice proposing the appointment of Mr. Arpit Patel has been received by the Company, and consent has been filed by Mr. Arpit Patel pursuant to Section 152 of the Act.

Mr. Arpit Patel and his relatives are interested in this Resolution. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Ordinary Resolution.

The Board recommends this Ordinary Resolution for your approval.

#### **Item No. 7**

The Board of Directors of the Company ("the Board") on 1st November 2018, recommended the appointment of Mr. Ganpatraj Lalchand Chowdhary as an Independent Director of the Company w.e.f. 1st November 2018 to the members, in terms of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations 2015") or any amendment thereto or modification thereof and his appointment shall not be subject to retirement by rotation.

He is Chairman & Managing Director of Riddhi Siddhi Gluco Biols Limited & Shree Rama Newsprint Limited. He spent more than 26 years as entrepreneur. He is a member of Audit Committee, Nomination and Remuneration Committee, Stakeholder relationship Committee and Corporate Social Responsibility committee of the Company. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Ganpatraj Chowdhary as an Independent Director. Mr. Ganpatraj Chowdhary fulfils the conditions specified in Section 149(6) read with Schedule IV to the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Consent of the members is required for appointment of Mr. Ganpatraj Chowdhary in terms of Section 149 of the Act. Requisite Notice proposing the appointment of Mr. Ganpatraj Chowdhary has been received by the Company and consent has been filed by Mr. Ganpatraj Chowdhary pursuant to Section 152 of the Act.

Mr. Ganpatraj Chowdhary and his relatives are interested in this Resolution. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Ordinary Resolution.

The Board recommends this Ordinary Resolution for your approval.

#### **Item No. 8**

The Board of Directors of the Company ("the Board") on 1st November 2018, recommended the appointment of Ms. Reena Bhagwati as an Independent Director of the Company with effect from 1st November 2018 to the members, in terms of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations 2015"), or any amendment thereto or modification thereof and his appointment shall not be subject to retirement by rotation.

She is having 28 years of successful experience providing Fiscal, Strategic and Operations leadership in various Engineering businesses. She is a dynamic, results oriented leader with a proven track record in Foundry and other Engineering businesses. She is a member of Audit Committee of the

Company. The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Ms. Reena Bhagwati as an Independent Director. She fulfils the conditions specified in Section 149 (6) read with Schedule IV to the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. She is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director.

Consent of the members is required for appointment of Ms. Reena Bhagwati, in terms of Section 149 of the Act. Requisite Notice proposing the appointment of Ms. Reena Bhagwati has been received by the Company, and consent has been filed by Ms. Reena Bhagwati pursuant to Section 152 of the Act.

Ms. Reena Bhagwati and her relatives are interested in this Resolution. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Ordinary Resolution.

The Board recommends this Ordinary Resolution for your approval.

#### **Item No. 9**

The Non-Executive Directors and the Independent Directors of your Company bring with them significant professional expertise and rich experience across a wide spectrum of functional areas such as marketing, corporate strategy, information systems and finance.

Section 197 of the Companies Act, 2013 permits the payment of remuneration to a Director who is neither a Whole-time Director, nor a Managing Director of a Company, by way of commission not exceeding 1% of the net profits of the Company, if the Company authorizes such payment by a Special Resolution at the General Meeting of the Company. The Non-executive Directors including Nominee Directors are required to devote more time and attention to the Company, particularly in view of the more responsibility expected of them through Corporate Governance Policies. The Board, therefore, recognizes the need to suitably remunerate the director(s) of the Company who are neither in the whole-time employment nor managing director(s) with commission up to a ceiling of 1% of the net profits, if any, of the Company, as and when required, computed in the manner specified in the Act, for a period of 5 years from 1st April 2019 to 31st March 2024.

The Board and/or Committee of the Board may from time to time determine, as and when required, the amount of commission within the limit of 1% of the net profit and the same be apportioned amongst the Non-Executive Directors [other than the Managing Director and Whole-time Director(s)] in such manner as the Board and/or Committee may deem fit for a period from 1st April, 2019 to 31st March, 2024. The payment of remuneration by way of commission to Non-Executive Directors will be in addition to the sitting fees payable to them for attending each meeting of the Board/Committee.

All the Non-executive Directors of the Company, may be deemed to be concerned or interested in this resolution to the extent of commission that may be payable to them from time to time.

The Board recommends this Ordinary Resolution for your approval.

#### **Item No. 10 and 11**

Stock Options are an effective instrument to attract, reward and retain the talented and key Employees in the Company. They also create a sense of

ownership and participation amongst the employees of the Company and achieve sustained growth of the Company by creation of shareholder value by aligning the interests of the employees with that of the Organization.

The Board of Directors, keeping in view of the above-mentioned objectives, at their meeting held on 20th May 2019 formulated ANUP - Employee Stock Option Scheme - 2019 ("ANUP ESOS 2019") for the present and/or future permanent employees of the Company including holding company and subsidiary companies of the company (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time) (hereinafter referred to as 'employees' or 'said employees') in accordance with the applicable laws.

In terms of the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Section 62(1)(b) and other applicable provisions of the Companies Act, 2013 and rules framed thereunder, issue of equity shares to the employees requires an approval of the Members by way of a Special Resolution and accordingly, the said Special Resolution seeks your approval for the further issue of Equity Shares under the ANUP ESOS 2019, to the employees of the Company, as may be determined by the Nomination and Remuneration Committee.

The Salient features of the ANUP ESOS 2019 as per Regulation 6(2) of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 are as follows:

#### **a) Brief description of the Scheme**

The Company recognizes and appreciates the critical role played by the employees of the Company in bringing about growth of the organization. It strongly feels that the value created by them should be shared with them. To promote the culture of employee ownership in the Company, approval of the shareholders is being sought for issue of stock options to the employees of the Company. The purpose of the Scheme is:

- Creation of wealth
- Retention of critical Employees
- Increase the performance of Employees

The Scheme shall be administered by the Board/Committee.

#### **b) The total number of options to be granted**

The total number of options that may, in the aggregate, be issued would be such number of options which shall entitle the option holders to acquire in one or more tranches up to 5,00,000 (Five Lakhs only) equity shares of ₹ 10/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organisation of the capital structure of the Company as may be applicable from time to time). The Employees are not required to pay any amount at the time of grants made to them.

Vested options lapsed due to non-exercise and/or unvested options that get cancelled due to resignation of Option grantees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed/cancelled options as per the provisions of ESOS - 2019.

The Board/Committee shall in accordance with the Applicable Laws determine the procedure for making a fair and reasonable adjustment to the ESOS entitlement of an Option Grantee in case of a

stock split, stock consolidation, rights issue, bonus issue, merger, demerger, amalgamation, sale of division and any other form of corporate restructuring, if any.

If the Company issues bonus or rights shares, the Option Grantee will not be eligible for the bonus or rights shares in the capacity of an Option Grantee, except that the entitlement to the number of options and the Exercise Price will be adjusted, as determined by the Board/Committee. Only if the employee stock options are vested and exercised and the Option Grantee is a valid holder of the shares of the Company, the Option Grantee would be entitled for bonus or rights options as Option holder of the Company. Accordingly, if any additional options/shares are issued by the Company to the option grantees for making such fair and reasonable adjustment, the above ceiling of 5,00,000 (Five Lakhs only) shall be deemed to be increased to the extent of such additional options/shares issued.

**c) Identification of classes of employees entitled to participate and be beneficiaries in the Scheme**

The following classes of employees of the Company, Holding Company and the Company's Subsidiaries (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time), depending upon the eligibility criteria determined by the Board, are entitled to participate in ESOS - 2019 (the "Eligible Employees"):

- a) a permanent employee of the Company who has been working in India or outside India; or
- b) a director of the Company, whether a whole time director or not but excluding an independent director; or
- c) an employee as defined in clauses (a) or (b) of a subsidiary, whether in India or outside India, or of a Holding Company of the company; or
- d) such other persons as may from time to time be allowed to be eligible for the benefits of the stock options under applicable laws and regulations prevailing from time to time

but does not include-

- i. an employee who is a promoter or a person belonging to the promoter group; or
- ii. a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

**d) Requirements of vesting and period of vesting**

The options granted under ESOS - 2019 shall vest so long as the employee continues to be in the employment of the Company or its Holding or its subsidiary subject to maximum period of 5 (five) years, as the case may be, as per applicable laws. The Board/Committee may, at its discretion, lay down certain performance metrics on the achievement of which such options would vest, the detailed terms and conditions relating to such vesting, and the proportion in which options granted would vest subject to the minimum vesting period of 1 (one) year. The vesting may occur in one or more tranches, subject to the terms and conditions of vesting, as stipulated in the ESOS - 2019.

The options which vested may be cancelled in the following events:

- i. Expiry of exercise period;
- ii. Resignation/Termination due to misconduct / breach of company policies, etc; and
- iii. Abandonment/Long Leave.

**e) Maximum period within which the options shall be vested**

The maximum vesting period may extend up to 5 (five) years from the date of grant of options.

**f) Exercise price or pricing formula**

Exercise Price means the price, if any, payable by the Employee for exercising the Vested Option granted to him in pursuance of the Scheme.

The exercise price shall be the Market Price for options to be granted under this scheme. However, it can be such other price as may be decided by the Board/Committee for grant of options not exceeding 0.5% of the paid-up equity shares as on 31st March 2019 i.e. not exceeding 50,969 shares or such other price as may be required to be arrived in accordance with the applicable laws.

Further, Board/Committee shall grant such options not exceeding 0.5% of paid up capital as mentioned above to employees in lieu of cash compensation based on achievement of key performance indicators and such options shall not exceed 0.15% of the paid-up capital i.e. not exceeding 15,290 shares to any one employee.

Explanation - Market Price means the latest available closing price on a recognised stock exchange on which the shares of the company are listed on the date immediately prior to the relevant date and if such shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered as the market price.

**g) Exercise period and process of exercise**

- (a) Employees shall be entitled to exercise options in one or more tranches within such period as may be prescribed by the Board, which period shall not be less than one year from the date of grant and shall not exceed a period of five years from the date of respective vesting of options.
- (b) In the event of an Employee being transferred between the Company, its Subsidiaries or its Holding Company, and at instance of or with consent of the Company, the Option Grantee will continue to hold all the Vested Options and can Exercise them anytime within the Exercise Period. All Unvested Options shall vest as per the Vesting schedule.

The process and conditions subject to which options can be exercised shall be laid down by the Board of the Company.

**h) Appraisal Process for determining the eligibility of Employees to the Scheme**

The appraisal process for determining the eligibility of the employees will be specified by the Board/Committee, and will be based on criteria such as criticality of the role, designation, length of service, past performance record, future potential of the employee and / or such other criteria that may be determined by the Board, at its sole discretion.

**i) Maximum number of options to be issued per Employee and in the aggregate**

The number of Options that may be granted to any specific employee under ESOS-2019 shall not exceed the number of Shares equivalent to 1% of the Issued Share Capital (excluding outstanding warrants and conversions) of the Company in aggregate in any one year unless prior specific approval from members of the Company through a special resolution to this effect is obtained.

**j) Maximum Quantum of benefits to be provided per employee**

The maximum quantum of benefits underlying the options issued to an Eligible Employee shall depend upon the market price of the equity shares of the Company, as on the date of sale of such equity shares.

**k) Whether the scheme is to be implemented and administered directly by the Company or through a trust**

The Scheme will be implemented directly by the Company under the guidance of the Nomination and Remuneration Committee of the Board.

**l) Whether scheme involves new issue of shares by the Company or Secondary acquisition by the trust**

The Scheme will involve only new issue of shares by the Company.

**m) The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.**

Not applicable since the Scheme is not implemented through Trust.

**n) Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s)**

Not applicable since the Scheme is not implemented through Trust.

**o) Disclosure and accounting policies**

The Company shall comply with the disclosure and the accounting policies prescribed as per the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 (as amended from time to time) and the guidelines issued by Institute of Chartered Accountants of India from time to time.

**p) Method of Valuation**

To calculate the employee compensation cost, the Company shall use Fair Value Method or any other applicable accounting guidelines for valuation of the options granted.

**q) Certificate from auditors**

The Board of Directors shall at each annual general meeting place before the shareholders a certificate from the auditors of the company that the scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the company.

**r) Other terms**

The employees to whom options have been granted (and which have not been exercised by them) shall have right, without giving any reason/s, to surrender such options, whether vested or otherwise and such surrendered options shall be added back to the number of Options that are pending to be granted.

The Board or Nomination and Remuneration Committee shall have the absolute authority to vary, modify or alter the terms of the Scheme in accordance with the regulations and guidelines as prescribed by the Securities and Exchange Board of India or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the Option Grantees.

The Board or Nomination and Remuneration Committee may, if it deems necessary, modify, change, vary, amend, suspend or terminate the ESOS - 2019, subject to compliance with the Applicable Laws and Regulations.

As the Scheme would entail further shares to be offered to persons other than existing Members of the Company, consent of the members is sought pursuant to the provisions of section 42 and 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per the requirement of Clause 6 of the SEBI ESOS Regulations.

None of the Directors and Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution No. 10 & 11, except to the extent of their shareholding entitlements, if any, under the ESOS.

Your Directors recommend the Resolution set out in Item No. 10 & 11 of the Notice for adoption by the Shareholders as Special Resolution/s.

**Registered Office:**

Behind 66 KV Elec. Sub-Station,  
Odhav Road,  
Ahmedabad-382415

**Date: 20th May, 2019**

**By order of the Board**

**For The Anup Engineering Limited**

**Chintankumar Patel  
Company Secretary**

Name of the Director	Mr. Sanjay S. Lalbhai	Mr. Samvegbhai Lalbhai	Mr. Arpit Patel	Mr. Ganpatraj Chowdhary	Ms. Reena Bhagwati
Director Identification Number (DIN)	00008329	00009278	00059914	00344816	00096280
Date of Birth	10.04.1954	04.06.1961	04.06.1958	23.03.1963	26.08.1966
Nationality	Indian	Indian	Indian	Indian	Indian
Date of Appointment	25.10.2017	01.11.2018	01.11.2018	01.11.2018	01.11.2018
Qualification	<ul style="list-style-type: none"> <li>Bachelor of Science</li> <li>Masters in Management Studies</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Commerce</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Commerce</li> <li>Chartered Accountant</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Commerce</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Commerce</li> <li>MBA from Carnegie Mellon University, Pittsburgh, USA</li> </ul>
Expertise in specific functional Area and experience	Industrialist, Apparel & Textile Industry domain; Entrepreneur; Board Service & Governance	35 years of vast experience in the business of Textiles and an eminent personality of Textile Industry.	Audits and corporate advisory involving interplay of various laws	Operations and General Management	28 years of experience in providing Fiscal, Strategic and Operational leadership in various Engineering businesses
Terms and Conditions of re-appointment along with details of remuneration sought to be paid	Refer item no. 3 of the Notice	Refer item no. 5 of the Notice read with explanatory statement thereto	Refer item no. 6 of the Notice read with explanatory statement thereto	Refer item no. 7 of the Notice read with explanatory statement thereto	Refer item no. 8 of the Notice read with explanatory statement thereto
Remuneration last drawn (including sitting fees, if any)	Refer report on Corporate Governance	Refer report on Corporate Governance	Refer report on Corporate Governance	Refer report on Corporate Governance	Refer report on Corporate Governance
Directorship in other Companies as on 31.3.2019 (excluding Foreign, private and Section 8 companies)	<ol style="list-style-type: none"> <li>Arvind Limited</li> <li>Arvind Smart Spaces Limited</li> <li>Adani Ports and Special Economic Zone Limited</li> <li>Arvind Fashions Limited</li> </ol>	<ol style="list-style-type: none"> <li>Atul Limited</li> <li>Bengal Tea &amp; Fabrics Limited</li> </ol>	--	<ol style="list-style-type: none"> <li>Shree Rama Newsprint Limited</li> <li>Riddhi Siddhi Gluco Biols Limited</li> </ol>	<ol style="list-style-type: none"> <li>Bhagwati Autocast Limited</li> <li>Eimco Elecon (India) Limited</li> <li>Symphony Limited</li> <li>E-Infochips Limited</li> </ol>

Name of the Director	Mr. Sanjay S. Lalbhai	Mr. Samvegbhai Lalbhai	Mr. Arpit Patel	Mr. Ganpatraj Chowdhary	Ms. Reena Bhagwati
Membership of Committees in other Public Limited Companies	<b>Arvind Limited</b> Stakeholders' Relationship Committee - Member <b>Arvind SmartSpaces Limited</b> Stakeholders' Relationship Committee - Chairman Corporate Social Responsibility Committee - Chairman	<b>Bengal Tea &amp; Fabrics Limited</b> Nomination & Remuneration Committee - Member	--	<b>Riddhi Siddhi Gluco Biols Limited</b> Audit Committee - Member Stakeholders' Relationship Committee - Member Corporate Social Responsibility Committee - Member <b>Shree Rama Newsprint Limited</b> Nomination & Remuneration Committee - Member	<b>Bhagwati Autocast Limited</b> Audit Committee - Member Stakeholders' Relationship Committee - Member <b>Symphony Limited</b> Audit Committee - Member
No. of Shares held in the Company as on 31.03.2019 (Face Value ₹ 10/- per share)	1456	1344	Nil	Nil	1074
Number of meetings of the Board attended during the Financial Year 2018-19	Refer report on Corporate Governance	Refer report on Corporate Governance	Refer report on Corporate Governance	Refer report on Corporate Governance	Refer report on Corporate Governance
Relationship with other Directors, Manager and Key Managerial Personnel of the Company	Mr. Sanjay S. Lalbhai is father of Mr. Punit S. Lalbhai Non-Executive Director of the Company	None	None	None	None

# Directors' Report

To,  
The Members,

Your Directors are pleased to present the 2nd Annual Report together with the Audited Financial Statements of the company for the financial year ended on 31st March, 2019.

## 1 FINANCIAL PERFORMANCE

The Audited Financial Statements of the Company as on 31st March, 2019 are prepared in accordance with the relevant applicable IND AS and provisions of the Companies Act, 2013.

The summarized financial highlight is depicted below:

(₹ in Lakhs)		
Particulars	2018-19	2017-18
Revenue from operations	24,299.19	-
Other Income	458.15	-
<b>Total Income</b>	<b>24,757.34</b>	<b>-</b>
Profit before Finance Cost, Depreciation & Amortization and Tax Expenses	6,851.82	(1.07)
Finance Cost	179.85	-
Depreciation & Amortization	793.00	-
<b>Profit/(Loss) Before Tax</b>	<b>5,878.97</b>	<b>(1.07)</b>
(i) Provision for Taxation (Current)	1,492.00	-
(ii) Deferred Tax	188.38	-
(iii) Provision for tax of earlier years	-	-
<b>Profit/(Loss) After Tax</b>	<b>4,198.59</b>	<b>(1.07)</b>
Non-Controlling Interest	-	-
Net Profit after Non-Controlling Interest	-	-
Other Comprehensive income	(7.73)	-
<b>Total Comprehensive Income/(Expenses)</b>	<b>4,190.86</b>	<b>(1.07)</b>

**Note :** Pursuant to the approval of the Composite Scheme of Arrangement by the Hon'ble National Company Law Tribunal ("NCLT") vide its order dated 26th October, 2018, the entire business and all assets and liabilities of The Anup Engineering Limited (Transferor Company) were transferred to and vested in your Company, being Transferee Company, from 1st January, 2018, the appointed date.

## 2 PERFORMANCE HIGHLIGHTS

Your company recorded overall revenues of ₹247.5 Crores for the year and Profit After Tax for the full year was ₹42 Crores.

Anup's order book continues to remain very strong and opened this financial year with confirmed orders of ₹300 Crores to be delivered in next 4-5 quarters. In comparison, the opening order book as of 1st April, 2018 was ₹155 Crores. Earnings per share stood at ₹41.19 on face value of ₹10 each.

## 3 DIVIDEND

Your Directors have recommended a dividend of 70% i.e. ₹7/- per equity share of ₹10/- each for the year ended on 31st March, 2019. The dividend, if approved by the members, would involve a cash outflow of ₹8.60 Crores (inclusive of tax on dividend).

## 4 TRANSFER TO RESERVES

During the year under review, the Company has not transferred any amount to reserves.

## 5 MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and/or commitments which may affect the financial position of the Company between the end of the financial period and the date of this report.

## 6 COMPOSITE SCHEME OF ARRANGEMENT

During the year under review, the Hon'ble National Company Law Tribunal ("NCLT"), Ahmedabad Bench at Ahmedabad vide its order dated 26th October, 2018 has approved the Composite Scheme of Arrangement under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 amongst Arvind Limited, Arvind Fashions Limited, Anveshan Heavy Engineering Limited and The Anup Engineering Limited and their respective shareholders and creditors ("Scheme of Arrangement").

Pursuant to the Scheme of Arrangement, the name of the Company has changed to 'The Anup Engineering Limited' vide fresh certificate of incorporation pursuant to change of name issued by Registrar of Companies, Gujarat dated 29th January 2019.

The Scheme has become effective on 30th November 2018 and the appointed date was 1st January 2018. Aforesaid order of NCLT is available at Company's website [www.anupengg.com](http://www.anupengg.com) > Investors > Updates.

## 7 SHARE CAPITAL

### Authorised Share Capital

The Authorised Capital was increased from ₹25,00,000/- to ₹65,25,00,000/- on account of the Scheme of Arrangement. Consequently, the Authorized Share Capital of the Company as on 31st March, 2019 was ₹65,25,00,000/- (Rupees Sixty Five Crore Twenty Five Lakhs Only) divided into 6,52,50,000 (Six Crore Fifty Two Lakhs Fifty Thousand) equity shares of ₹ 10/- (Rupees Ten) each.

### Issued, Subscribed and Paid-up Capital

During the year under review, the Company had allotted 1,01,93,962 (One Crore One Lakh Ninety Three Thousand Nine Hundred and Sixty Two) equity shares of ₹10/- (Rupees Ten) each to the equity shareholders of Arvind Limited (Demerged Company) and The Anup Engineering Limited (Transferor Company) pursuant to the Scheme of Arrangement.

Subsequently, the equity shares of the company got listed on BSE Limited and the National Stock Exchange of India Limited w.e.f 1st March, 2019.

During the year under review, the Company has not issued shares with differential voting rights and sweat equity shares.

## 8 EMPLOYEE STOCK OPTION SCHEME

During the year under review, pursuant to the Scheme of Arrangement, the Board of Directors of the company vide its Board Meeting dated 6th February, 2019 approved The Anup Engineering Limited - Employee Stock Option Scheme - 2018 ("TAEL ESOS - 2018") by adopting the Anup ESOS (The Anup

Engineering Limited – Employee Stock Option Scheme – 2017) of the amalgamating company (i.e. The Anup Engineering Limited) and The Anup Engineering Limited - Employee Stock Option Scheme (Demerger) - 2018 (“TAEI ESOS (Demerger) - 2018”) by adopting the AL ESOS (Arvind Limited – Employee Stock Option Scheme 2008) of the Demerged Company (i.e. Arvind Limited).

Disclosures in compliance with Section 62 of the Companies Act, 2013, Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 are set out in **Annexure-A** to this report.

#### **9 DISCLOSURE UNDER SECTION 67 (3) (c) OF THE COMPANIES ACT, 2013**

No disclosure is required under section 67 (3) (c) of the Companies Act, 2013 read with Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014, in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said section are not applicable.

#### **10 FINANCE**

During the year under review, your company has not availed any fresh financial assistance from the Banks. Consortium Arrangement availed by the Transferor Company for ₹ 200 Crores with ICICI Bank, HDFC Bank and Bank of Baroda was transferred to the Company pursuant to the Scheme of Arrangement. The Company is regular in repayment of fund based working capital loan and interest and no payment is overdue to the Banks.

#### **11 DEPOSITS**

During the period under review, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made there under.

#### **12 PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

#### **13 CORPORATE SOCIAL RESPONSIBILITY**

The Anup Engineering Limited (formerly known as Anveshan Heavy Engineering Limited) has framed Corporate Social Responsibility (CSR) Policy that defines its philosophy and guides its actions for undertaking and supporting socially relevant programmes. The Anup Engineering Limited Policy on Corporate Social Responsibility (TAEI CSR) has been put in place to facilitate and formalize the CSR processes, set up a guiding structure and define broader thematic areas for projects and programs to help maintain a common CSR thought thread. For doing so, the Company would define an annual budget, select CSR initiatives, select geography, work with either its own CSR team or partner with like-minded individuals and organizations. In addition, the company would utilize the skills of vast majority of Employee Talents that the company has in accomplishment of its CSR vision.

The brief details of Corporate Social Responsibility are enclosed as **Annexure-B**.

#### **14 HUMAN RESOURCES**

The Company believes that human capital is its biggest asset and immensely values its human resources. The Company acknowledges that employee participation and involvement is the key to sustained growth and hence encourages various measures to promote the same. The Company is of the opinion that motivated employees are very crucial to the growth of the organization and hence puts in a lot of emphasis on promoting employee engagement at all levels.

A well-defined organization structure, with clarity of role profiles and key result areas is one thing which the Company had introduced for inculcating a performance-oriented culture within the organization. This also leads to a lot of objectivity in the appraisal system and transparency within the organization. The Company also believes in providing ample opportunities to its employees for their all-round growth and organizes various functional, technical, behavioral and motivational training programs and seminars during the year.

The Company also believes in providing an environment which is conducive to development of entrepreneurial skills and team work. The employees are encouraged to participate in various sports activities and festival celebrations.

#### **15 RISK MANAGEMENT**

The Company has developed and implemented a Risk Management Policy. The policy identifies the threat of such events as “Risks”, which if occurred will adversely affect value to shareholders, ability of Company to achieve objectives, ability to implement business strategies, the manner in which the Company operates and reputation. Such risks are categorized into Strategic Risks, Operating Risks and Regulatory Risks.

The framework defines the process for identification of risks, its assessment, mitigation measures, monitoring and reporting. While the Company, through its employees and Executive Management, continuously assess the identified Risks, the Audit Committee reviews the identified Risks and its mitigation measures annually.

#### **16 INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Company has an Internal Audit department with adequate experience and expertise in internal controls, operating system and procedures.

The system is supported by documented policies, guidelines and procedures to monitor business and operational performance which are aimed at ensuring business integrity and promoting operational efficiency.

The Internal Audit Department reviews the adequacy of internal control system in the Company, its compliance with operating systems and laid down policies and procedures. Based on the report of internal audit function, process owners undertake corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board of Directors from time to time.



## 17 VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a vigil mechanism named Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of the Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the website of the Company at [www.anupengg.com](http://www.anupengg.com) > Investors > Policies.

## 18 SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES COMPANIES

The Company does not have any subsidiary, joint venture or associate companies within the meaning of Sections 2(6) and 2(87) of the Companies Act, 2013 as on 31st March 2019. The Company has framed a policy for determining material subsidiaries, which has been uploaded on website of the company at [www.anupengg.com](http://www.anupengg.com) > Investors > Policies.

## 19 DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Directors

The Board of Directors consists of 6 members, out of which 3 are Independent Directors including one women Independent Director and 3 are Non-Executive and Non-Independent Directors.

As per the provisions of Section 152(6) of the Companies Act, 2013 and the company's Articles of Association, Mr. Sanjay S. Lalbhai (DIN: 00008329) shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment as the Director of the Company.

During the year, Mr. Samvegbhai Lalbhai (DIN: 00009278) was appointed as an Additional Director (Non-Executive) with effect from 1st November, 2018 and shall hold the office up to the ensuing Annual General Meeting. The Company has received notice from member proposing his appointment as Director of the Company.

During the year, the Board of Directors, had appointed Mr. Arpit Patel (DIN: 00059914), Mr. Ganpatraj Chowdhary (DIN: 00344816) and Ms. Reena Bhagwati (DIN: 00096280) as Independent Directors of the company for a term of five years subject to the approval of members in ensuing Annual General Meeting.

During the year under review, Mr. Paresh Shah (DIN: 07993550) has resigned from the directorship of the company with effect from 1st November, 2018.

### Key Managerial Personnel

During the year, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Rishi Roop Kapoor as Chief Executive Officer, Mr. Rakesh Kumar Poddar as Chief Financial Officer and Mr. Chintankumar Patel as Company Secretary of the Company with effect from 3rd December, 2018.

## 20 BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its performance as well as that of its Committees and individual directors. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

## 21 REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The Remuneration Policy is available on the website of the Company at [www.anupengg.com](http://www.anupengg.com) > Investors > Policies.

## 22 FAMILIARIZATION PROGRAM FOR THE INDEPENDENT DIRECTORS

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying it in their appointment letter along with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The Company has through presentations, at regular intervals, familiarized and updated the Independent Directors with the strategy, operations and functions of the Company and Engineering Industry as a whole. The details of such familiarization programmes for Independent Directors are explained in the Corporate Governance Report and posted on the website of the Company at [www.anupengg.com](http://www.anupengg.com) > Investors > Policies.

## 23 DECLARATION OF INDEPENDENCE

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they have complied with the Code for Independent Directors as prescribed in Schedule IV to the Companies Act, 2013.

## 24 NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

Five (5) Meetings of the Board of Directors were held during the financial year ended 31st March, 2019. The intervening gap between two consecutive meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of the Board and Committee meetings are provided in the Corporate Governance Report forming part of this Report.

## 25 DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a. in preparation of the annual accounts for the financial year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of

the Company and for preventing and detecting fraud and other irregularities;

- d. they have prepared the annual accounts on a going concern basis;
- e. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **26 RELATED PARTY TRANSACTIONS**

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel, etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of transactions with Related Parties are provided in the Company's financial statements in accordance with the Accounting Standards.

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The policy on Related Party Transactions as approved by the Board is available on website of the company at [www.anupengg.com](http://www.anupengg.com) > Investors > Policies.

## **27 SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

No significant or material orders impacting going concern basis were passed by the regulators or courts or tribunals which impact the going concern status of the Company and its operations in future.

## **28 AUDITORS AND AUDITORS' REPORT**

### **Statutory Auditors**

M/s Sorab S. Engineer & Co., Chartered Accountants (ICAI Registration No. 110417W), Statutory Auditors of the Company were appointed as Statutory Auditors of the Company for a period of five years at the 1st Annual General Meeting of the Company held on 29th September 2018 till the conclusion of 6th Annual General Meeting of the Company pursuant to the provisions of Section 139(1) of the Companies Act, 2013.

The Report given by the Auditors on the financial statements along with the notes to the financial statements of the Company for the financial year 2018-19 is forming part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

### **Cost Auditor**

M/s Maulin Shah & Associates, Cost Accountants, Ahmedabad (Firm Registration No. 32503) carried out the cost audit for applicable business during the year. The Board of Directors has appointed them as Cost Auditors for the financial year 2019-20.

The remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to M/s Maulin Shah & Associates, Cost Auditors is included as item No. 4 of the notice convening the Annual General Meeting.

### **Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Ankita Patel, Company Secretary in practice, Ahmedabad to conduct the Secretarial Audit of the Company for the financial year 2018- 19. The Secretarial Audit Report is annexed herewith as **Annexure - C**. There were no qualifications, observations, reservations, comments or other remarks in the Secretarial Audit Report, which have any adverse effect on the functioning of the Company.

## **29 CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS**

The Corporate Governance Report and Management Discussion & Analysis, which form part of this Report, are set out as separate Annexures together with the Certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated in Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **30 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure-D**.

## **31 EXTRACT OF ANNUAL RETURN**

The extract of the Annual Return of the Company as on 31st March 2019 in Form MGT - 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 is annexed herewith as **Annexure-E**.

## **32 PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the Company, will be provided upon request. In terms of Section 136(1) of the Companies Act, 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company

up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard. Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure-F** to this report.

**33 DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

Anup Internal Complaints Committee (AICC) is formed and its details are declared and accessible across the organization. All AICC members are trained by subject experts on handling the investigations and proceedings as defined in the policy.

The Company has not received any sexual harassment related complaints during the year 2018-19.

**34 ENHANCING SHAREHOLDERS VALUE**

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

**35 ACKNOWLEDGEMENT**

Your Directors would like to express their appreciation for the assistance and co-operation received from the Company's customers, vendors, bankers, auditors, investors, Government authorities and stock exchanges during the year under review. Your Directors place on record their appreciation of the contributions made by employees at all levels. Your Company's consistent growth was made possible by their hard work, solidarity, co-operation and support.

For and on behalf of the Board of Directors

Date: 20th May, 2019

Place: Ahmedabad

**Sanjay S. Lalbhai**  
Chairman

## Annexure – A to the Directors’ Report

### Disclosures under Regulation 14 of the SEBI (Share based Employee Benefits) Regulations, 2014

The details of The Anup Engineering Limited (“TAEI”) – Employee Stock Option Scheme – 2018 (ESOS -2018) and The Anup Engineering Limited (“TAEI”) – Employee Stock Option Scheme (DEMERGER) – 2018 (ESOS (DEMERGER) - 2018) for the year ended March 31, 2019 are as under:

1	Description of ESOS	ESOS – 2018	ESOS (DEMERGER)- 2018
(a)	Date of shareholder’s approval	12th May, 2018 Date of approval to the Composite Scheme of Arrangement involving Demerger, amalgamation and restructure of Capital amongst Arvind Limited, Arvind Fashions Limited, Anveshan Heavy Engineering Limited and The Anup Engineering Limited and their respective Shareholders and creditors (“the Scheme”)	
(b)	Total number of shares approved	3,50,000	3,53,667
(c)	Vesting requirements	Options vest over a period of 1 to 5 years based on continued service and certain performance parameters.	
(d)	Exercise price or pricing formula	As decided by the Board/Committee at its own discretion. However, this exercise price shall not be less than the face value of the shares.	Market price of the equity shares being latest available closing price on the Stock Exchange.
(e)	Maximum term of options granted	5 years from the date of grant	
(f)	Source of shares	Primary	
(g)	Variation of terms of options	None	
2	Method used to account for ESOS	Fair Value Method	
3	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on the profits and EPS of the Company shall also be disclosed.	Not applicable	
	(i) Difference between Intrinsic value and Fair value compensation cost		
	(ii) Impact on the Profits of the Company (₹)		
	(iii) Impact on Basic Earnings Per Share of the Company (₹)		
	(iv) Impact on Diluted Earnings Per Share of the Company (₹)		
4	Option movement during the year:		
(a)	Options Outstanding at the beginning of the year	0	0
(b)	Options issued during the year (pursuant to the Scheme)	87,500	58,371
(c)	Options forfeited/lapsed during the year	0	0
(d)	Options vested during the year	0	33,333
(e)	Options exercised during the year	0	0
(f)	Number of shares arising as a result of exercise of option	0	0

(g)	Money realised by exercise of options (₹)	o	o
(h)	Loan repaid by the Trust during the year from exercise price received	NA	NA
(i)	Options Outstanding at the end of the year	87,500	58,371
(j)	Options Exercisable at the end of the year	o	33,333
5A	Weighted average exercise prices of options whose:		
	Exercise price equals market price of stock (₹)	o	324.69
	Exercise price exceeds market price of stock	o	o
	Exercise price is less than market price of stock (₹)	151.43	o
5B	Weighted average fair value of options whose:		
	Exercise price equals market price of stock (₹)	o	210.76
	Exercise price exceeds market price of stock	o	o
	Exercise price is less than market price of stock (₹)	412.44	o
6	Grantee wise details of options granted to:		
	(i) Key managerial personnel	Mr. Rishi Roop Kapoor (CEO) – 87,500 options	None
	(ii) any other grantee who receives a grant in any one year of options amounting to five per cent or more of options granted during that year;	None	Mr. Aamir Akhtar – 8,741 options Mr. Ashish Kumar – 10,741 options Mr. Jayesh K Shah – 33,333 options
	(iii) identified employees who were granted options, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the issuer at the time of grant.	None	None
7	A description of the method and significant assumptions used during the year to estimate the fair values of options, including following weighted average information:		
	(i) Share price (₹)	517.40	548.85
	(ii) Exercise price (₹)	151.43	324.69
	(iii) Expected volatility	31.83%	30.59%
	(iv) Expected dividends	0.00%	0.00%
	(v) Risk-free interest rate	7.47%	6.93%
	(vi) Any other inputs to the model	None	None
	(vii) Method used and the assumptions made to incorporate effects of expected early exercise	Binomial Option Pricing Model	
	(viii) How expected volatility was determined, including an explanation of the extent of to which expected volatility was based on historical volatility	The daily volatility of the Company's stock price and comparable companies' stock price on NSE over the expected life of the options has been considered.	
	(ix) Whether any or how any other features of option grant were incorporated into the measurement of fair value, such as market condition	None	

## Annexure – B to the Directors’ Report

### Annual Report On Corporate Social Responsibility (CSR) Activities:

**1 A Brief outline of the Company’s CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

The Anup Engineering Limited (Formerly Anveshan Heavy Engineering Limited) has framed Corporate Social Responsibility (CSR) Policy in its Board Meeting dated 6th February, 2019 that defines its philosophy and guide actions for undertaking and supporting socially relevant programmes. The Company’s underlying value system has a firm belief that only in a healthy society healthy businesses flourish. The Anup Engineering Limited Policy on Corporate Social Responsibility has been put in place to facilitate and formalize the CSR processes, set up a guiding structure and define broader thematic areas for projects and programs to help maintain a common CSR thought thread. For doing so, the Company would define an annual budget, select CSR initiatives, select geography, work with either its own CSR team or partner with like-minded individuals and organizations. In addition, the company would utilize the skills of vast majority of Employee Talents that the company has in accomplishment of its CSR vision.

The high points of the Policy are presented below and the Policy can also be reached at our website [www.anupengg.com](http://www.anupengg.com) > Investors > Policies.

**Overview of projects or programs undertaken / proposed to be undertaken:**

The company would undertake CSR initiatives for social advancement, when applicable or otherwise, with the help of specific institutions having credible history and/or who bring certain expertise or would undertake the initiatives through its own team.

The Company has identified following themes for consideration for undertaking the CSR initiatives:

- Employment enhancing vocational skills for employability;
- Educational initiatives for the underserved communities;
- Development initiatives in the neighborhood where company has operations;
- Rural Development Initiatives.

During the period under review the company is not required to spend any amount towards CSR expenditure as per the provisions of Section 135 of the Companies Act, 2013.

**2 Composition of Corporate Social Responsibility Committee:**

Mr. Punit S. Lalbhai	-	Chairman
Mr. Arpit Patel	-	Member
Mr. Ganpatraj Chowdhary	-	Member

**3 Average net profit / (loss) of the Company for last three financial years:**

The Company has not completed three immediately preceding financial years being incorporated on 14th September, 2017.

**4 Prescribed CSR expenditure (two percent of the amount as in item 3 above):**

In view of above, the Company was not required to make mandatory CSR expenditure during the year 2018-19 as per Section 135 of the Companies Act, 2013.

**5 Detail of CSR spend for the financial year:**

- a. Total amount spent for the financial year: Not Applicable
- b. Amount unspent, if any: Not Applicable
- c. Manner in which the amount spent during the financial year is detailed below: Not Applicable

**6 In case the Company has failed to spend the two percent of average net profit of the last three financial years or any part thereof: Not Applicable**

**7 The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.**

Date: 20th May, 2019      **Sanjay S. Lalbhai**      **Punit S. Lalbhai**  
 Place: Ahmedabad      Chairman      Chairman – CSR Committee

# Annexure – C to the Directors’ Report

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of  
The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,

### **The Anup Engineering Limited**

(Formerly known as Anveshan Heavy Engineering Limited)

(CIN: L29306GJ2017PLC099085)

Regd. Off: Behind 66 KV, Elec. Sub-Station,

Odhav Road, Ahmedabad – 382415

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Anup Engineering Limited (Formerly known as Anveshan Heavy Engineering Limited) (CIN: L29306GJ2017PLC099085) (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder as amended from time to time read with notified provisions of Companies (Amendment) Act, 2017;
- (ii) The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital

and Disclosure Requirements) Regulations, 2018;

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

However, it has been found that there were no instances requiring compliance with the provisions of the laws indicated at point (e), (g) and (h) of para (v) mentioned hereinabove during the period under review.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with the Stock Exchanges and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).
- (vi) I further report that having regard to the compliance Management system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has compliance management system for the sector specific laws applicable specifically to the Company.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned hereinabove. I have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other sector specific laws applicable to the Company.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision at the board meeting as represented by the management were carried through unanimously whereas as informed, there is system of capturing the views of dissenting members' and recording the same as part of the minutes, wherever required.

I further report that based on review of compliance mechanism established by the company and on the basis of the compliance certificate(s) issued by the company secretary and taken on record by the board of directors at their meeting(s), I am of the opinion that the management has adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable rules, regulations and guidelines as referred here in above.

I further report that during the audit period there were following specific events / actions having a major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. more specifically related to:

- a) During the year under review, the Hon'ble National Company Law Tribunal ("NCLT"), Bench at Ahmedabad vide its order dated 26th October, 2018 has approved Composite Scheme of Arrangement under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 amongst Arvind Limited, Arvind Fashions Limited, Anveshan Heavy Engineering Limited and The Anup Engineering Limited and their respective shareholders and creditors.
- b) During the period under review, authorised Share capital of the company was increased from ₹25,00,000 to ₹65,25,00,000/- divided in to 6,52,50,000 equity shares of ₹10/- each pursuant to the composite scheme of arrangement.
- c) During the period under review 1,01,93,962 equity shares of ₹10/- each were allotted as on 4th December, 2018 to Equity shareholder of Arvind Limited (Demerged company) and The Anup Engineering Limited (Transferor company) pursuant to the composite scheme of arrangement and Subsequently Equity Shares of the company were listed on National Stock Exchange of India Limited and BSE Limited w.e.f. 1st March, 2019.
- d) During the period under review Name of the company was changed from Anveshan Heavy Engineering Limited to "The Anup Engineering Limited" w.e.f. 29th January, 2019 pursuant to the composite scheme of arrangement.

**Ankita Patel**

Practicing Company Secretary

Place: Ahmedabad

ACS/FCS No. : F8536

Date: 20th May, 2019

C P No: 16497

**Note:** This report is to be read with our letter of even date which is annexed as Annexure I and forms an integral part of this report.

## ANNEXURE - I

To,  
The Members,

### **The Anup Engineering Limited**

(Formerly known as Anveshan Heavy Engineering Limited)

CIN: L29306GJ2017PLCO99085

Behind 66 KV, Elec. Sub-Station,

Odhav Road, Ahmedabad – 382415

Dear Sir,

Sub: Secretarial Audit Report for the Financial Year ended on 31st March, 2019.

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

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

**Ankita Patel**

Practicing Company Secretary

ACS/FCS No. : F8536

C P No: 16497

Place: Ahmedabad

Date: 20th May, 2019



## Annexure – D to the Directors’ Report

**Information on Conversation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014.**

### A CONSERVATION OF ENERGY:

The Company’s operations involve low energy consumption. Energy conservation is first priority at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in maintenance and distribution systems and through improved operational techniques. Uses of natural lights are resorted at factory premises to save energy. Wherever possible, energy conservation measures have been implemented. Efforts to conserve and optimize the use of energy will continue.

#### Power and Fuel Consumption:

		2018-19	2017-18
<b>1. (a) Electricity :</b>			
	Unit	25,40,425	-
	Total Amount (₹)	1,64,91,360	-
	Rate/Unit (₹)	8.33	-
<b>(b) Own Generation :</b>			
	(Through Diesel Generator)		
	Units	20	-
	Total Amount (₹)	270	-
	Rate/Unit (₹)	13.50	-
<b>2. Furnace Gas/Oil:</b>			
	Qty (MMBTU/Liters)	2,326.20	-
	Cost (₹)	25,18,717	-
	Rate per (₹)	1,082.76	-

### B TECHNOLOGY ABSORPTION:

#### Technology absorption, adaptations and innovation:

Company had imported technology for the manufacture of Industrial Centrifuges from M/s Krauss Maffei, West Germany and through continuous interaction with R and D, Company has been able to fully absorb and adopt this technology.

#### Research and Development:

- Specific areas in which R and D carried out by the Company:  
The Company has a research and development Laboratory recognized by the Department of Science and Technology. It is engaged in process improvement, product improvement, development of analytical methods and technical services for development of improved control.
- Benefit derived as a result of R and D:  
As a result of Company’s research and Development Laboratory, Company is benefited by process and product improvement.
- Future plan of action:  
The Company will continues to lay emphasis on the main areas of R and D set out under Para (a) above.

#### d) R and D Expenditure:

(₹ in Lakhs)

Particulars	2018-19	2017-18
Capital	-	-
Recurring	113.74	-
Total	113.74	-
Total R and D Expenditure as % of Total Turnover	0.47	-

### C FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Foreign Exchange used and earned:

(₹ in Lakhs)

Particulars	2018-19	2017-18
Total foreign exchange used	58.33	-
Total foreign exchange earned	286.82	-

## Annexure – E to the Directors’ Report

**Form No. MGT 9**

**EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2019**

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

### I. REGISTRATION & OTHER DETAILS:

i	CIN	L29306GJ2017PLCO99085
ii	Registration Date	September 14, 2017
iii	Name of the Company	The Anup Engineering Limited (Formerly Known as Anveshan Heavy Engineering Limited)
iv	Category/ Sub-category of the Company	Company Limited by Shares / Indian Non-government Company
v	Address of the Registered office & contact details	Behind 66 KV Elec. Sub-Station, Odhav Road, Ahmedabad – 382415, Gujarat, India Phone: 079-2287 2823, 2287 0622 Fax: 079 – 2287 0642 E-mail ID: investorconnect@anupengg.com • Website: www.anupengg.com
vi	Whether listed company ? (Yes / No)	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any	M/s. Link Intime India Private Limited 506-508, Amarnath Business Centre-1 (abc-1) Beside Gala Business Centre, Near St. Xavier’s College Corner, Off C G Road, Ellisbridge, Ahmedabad – 380006 Tel No : +91 79 26465179 /86 / 87 E-mail id : ahmedabad@linkintime.co.in • Website : www.linkintime.co.in

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name and Description of main Products/ Services	NIC Code of the Product/ service	% total turnover of the company
1	Heat Exchangers	259 (NIC-2008)	78.72
2	Pressure Vessels, Towers & reactors	259 (NIC-2008)	8.42
3	Others	259 (NIC-2008)	12.86

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
The Company does not have any Holding/Subsidiary/Associate Companies.					

#### IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS % OF TOTAL EQUITY):

##### (i) Category-wise Shareholding

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>									
<b>(1)</b>	<b>Indian</b>									
(a)	Individuals/HUF	0	50000	50000	100.00	43539	588	44127	0.43	(99.57)
(b)	Cent. Gov./State Gov.(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	4109088	0	4109088	40.31	40.31
(d)	FI/Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	<b>SUB TOTAL (A)(1)</b>	<b>0</b>	<b>50000</b>	<b>50000</b>	<b>100.00</b>	<b>4152627</b>	<b>588</b>	<b>4153215</b>	<b>40.74</b>	<b>(59.26)</b>
<b>(2)</b>	<b>Foreign</b>									
(a)	Individuals/HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Cent. Gov./State Gov.(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	FI/Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	<b>SUB TOTAL (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group A = (A)(1) + (A)(2)</b>	<b>0</b>	<b>50000</b>	<b>50000</b>	<b>100.00</b>	<b>4152627</b>	<b>588</b>	<b>4153215</b>	<b>40.74</b>	<b>(59.26)</b>
<b>(B)</b>	<b>Public Shareholding</b>									
<b>(1)</b>	<b>Institutions</b>									
(a)	Mutual Funds/UTI	0	0	0	0.00	1088656	409	1089065	10.68	10.68
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Alternate Investment Funds	0	0	0	0.00	444	0	444	0.00	0.00
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Foreign Portfolio Investor	0	0	0	0.00	1205491	794	1206285	11.83	11.83
(f)	Financial Institutions/ Banks	0	0	0	0.00	425948	21108	447056	4.39	4.39
(g)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other- Foreign Bank	0	0	0	0.00	31	0	31	0.00	0.00
	<b>SUB TOTAL (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>2720570</b>	<b>22311</b>	<b>2742881</b>	<b>26.91</b>	<b>26.91</b>
<b>2</b>	<b>Central Government/ State Government(s)/ President of India</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>7</b>	<b>0</b>	<b>7</b>	<b>0.00</b>	<b>0.00</b>
	<b>SUB-TOTAL (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>7</b>	<b>0</b>	<b>7</b>	<b>0.00</b>	<b>0.00</b>
<b>(3)</b>	<b>Non - Institutions</b>									
(a)	Individuals									
i)	Individual Shareholders holding nominal share capital up to ₹ 1 Lakh	0	0	0	0.00	1340233	197581	1537814	15.09	15.09
ii)	Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	0	0	0	0.00	266259	115434	381693	3.74	3.74
(b)	NBFCs registered with RBI	0	0	0	0.00	527	0	527	0.01	0.01
(c)	Employee Trusts	0	0	0	0.00	0	0	0	0.00	0.00

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d)	Overseas Depositories (holding DRs) (balancing figure)	o	o	o	0.00	o	o	o	0.00	0.00
(e)	Any Other (Specify)									
i	IEPF	o	o	o	0.00	4009	o	4009	0.04	0.04
ii	Trusts	o	o	o	0.00	294972	o	294972	2.89	2.89
iii	Hindu Undivided Family	o	o	o	0.00	151289	o	151289	1.48	1.48
iv	Non Resident Indians (Non Repat)	o	o	o	0.00	29389	11284	40673	0.40	0.40
v	Non Resident Indians (Repat)	o	o	o	0.00	36905	5789	42694	0.42	0.42
vi	Overseas Bodies Corporates	o	o	o	0.00	107	o	107	0.00	0.00
vii	Clearing Member	o	o	o	0.00	88939	o	88939	0.87	0.87
viii	Bodies Corporate	o	o	o	0.00	747003	8139	755142	7.41	7.41
	<b>SUB TOTAL (B)(3)</b>	<b>o</b>	<b>o</b>	<b>o</b>	<b>0.00</b>	<b>2959632</b>	<b>338227</b>	<b>3297859</b>	<b>32.35</b>	<b>32.35</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)</b>	<b>o</b>	<b>o</b>	<b>o</b>	<b>0.00</b>	<b>5680209</b>	<b>360538</b>	<b>6040747</b>	<b>59.26</b>	<b>59.26</b>
	<b>TOTAL (A)+(B)</b>	<b>o</b>	<b>50000</b>	<b>50000</b>	<b>100.00</b>	<b>9832836</b>	<b>361126</b>	<b>10193962</b>	<b>100.00</b>	<b>0.00</b>
(C)	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	<b>o</b>	<b>o</b>	<b>o</b>	<b>0.00</b>	<b>o</b>	<b>o</b>	<b>o</b>	<b>0.00</b>	<b>0.00</b>
	<b>GRAND TOTAL (A) + (B) + (C)</b>	<b>o</b>	<b>50000</b>	<b>50000</b>	<b>100.00</b>	<b>9832836</b>	<b>361126</b>	<b>10193962</b>	<b>100.00</b>	<b>0.00</b>

Note: (1) Existing 50,000 Equity shares stand cancelled pursuant to the Composite Scheme of Arrangement. (2) Change in% shareholding due to allotment of equity shares during the year pursuant to the Composite Scheme of Arrangement.

## (ii) Shareholding of Promoters and Promoter Group

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	Sanjaybhai Shrenikbhai Lalbhai	49994	99.99	0.00	1456	0.01	0.00	(99.98)
2	Jayshreeben Sanjaybhai Lalbhai	1	00.00	0.00	5023	0.05	0.00	0.05
3	Punitbhai Sanjaybhai Lalbhai	1	00.00	0.00	137	0.00	0.00	0.00
4	Kulinbhai Sanjaybhai Lalbhai	1	00.00	0.00	1960	0.02	0.00	0.02
5	Poorvaben Punitbhai Lalbhai	1	00.00	0.00	o	0.00	0.00	0.00
6	Jainaben Kulinbhai Lalbhai	1	00.00	0.00	o	0.00	0.00	0.00
7	Sanjaybhai Shrenikbhai Lalbhai (As Karta of Sanjaybhai Shrenikbhai HUF)	1	00.00	0.00	o	0.00	0.00	0.00
8	Samvegbhai Arvindbhai (HUF)	o	0.00	0.00	7476	0.07	0.00	0.07
9	Snehal Mohta	o	0.00	0.00	7000	0.07	0.00	0.07
10	Kalpna Shripal Morakhia	o	0.00	0.00	4928	0.05	0.00	0.05
11	Saumya Samvegbhai Lalbhai	o	0.00	0.00	2863	0.03	0.00	0.03
12	Swati S Lalbhai	o	0.00	0.00	2795	0.03	0.00	0.03
13	Taral S Lalbhai	o	0.00	0.00	2642	0.03	0.00	0.03

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
14	Sunil Siddharth Lalbhai	0	0.00	0.00	2581	0.03	0.00	0.03
15	Vimla S Lalbhai	0	0.00	0.00	2577	0.03	0.00	0.03
16	Samvegbhai Arvindbhai Lalbhai	0	0.00	0.00	1344	0.01	0.00	0.01
17	Hansa Niranjanbhai	0	0.00	0.00	1010	0.01	0.00	0.01
18	Badlani Manini Rajiv	0	0.00	0.00	264	0.00	0.00	0.00
19	Astha Lalbhai	0	0.00	0.00	71	0.00	0.00	0.00
20	Ishaan Punit Lalbhai	0	0.00	0.00	0	0.00	0.00	0.00
21	Ruhani Punit Lalbhai	0	0.00	0.00	0	0.00	0.00	0.00
22	Ananyaa Kulin Lalbhai	0	0.00	0.00	0	0.00	0.00	0.00
23	Anamikaben Samvegbhai Lalbhai	0	0.00	0.00	0	0.00	0.00	0.00
24	Sunil Siddharth HUF	0	0.00	0.00	0	0.00	0.00	0.00
25	Aura Securities Private Limited	0	0.00	0.00	3551617	34.84	1.54	34.84
26	Aura Business Ventures LLLP	0	0.00	0.00	233329	2.29	0.00	2.29
27	Atul Limited	0	0.00	0.00	152869	1.50	0.00	1.50
28	Aagam Holdings Private Limited	0	0.00	0.00	97491	0.96	0.00	0.96
29	Arvind Farms Private Limited	0	0.00	0.00	55189	0.54	0.00	0.54
30	Adore Investments Private Limited	0	0.00	0.00	6775	0.07	0.00	0.07
31	Anusandhan Investments Limited	0	0.00	0.00	4259	0.04	0.00	0.04
32	Amardeep Holdings Private Limited	0	0.00	0.00	3490	0.03	0.00	0.03
33	Aayojan Resources Private Ltd	0	0.00	0.00	3370	0.03	0.00	0.03
34	Adhinami Investments Private Limited	0	0.00	0.00	685	0.01	0.00	0.01
35	Akshita Holdings Private Limited	0	0.00	0.00	5	0.00	0.00	0.00
36	Aura Business Enterprise Pvt Ltd	0	0.00	0.00	3	0.00	0.00	0.00
37	Aura Merchandise Private Limited	0	0.00	0.00	3	0.00	0.00	0.00
38	Aura Securities Private Limited	0	0.00	0.00	3	0.00	0.00	0.00
39	Arvind Limited	0	0.00	0.00	0	0.00	0.00	0.00
40	Arvind SmartSpaces Limited	0	0.00	0.00	0	0.00	0.00	0.00
41	Arvind Fashions Limited	0	0.00	0.00	0	0.00	0.00	0.00
42	Anukul Investments Private Limited	0	0.00	0.00	0	0.00	0.00	0.00
43	Shruti Trade Link Private Limited	0	0.00	0.00	0	0.00	0.00	0.00
44	Kasturbhai Lalbhai Museum Limited (Formerly Anagram Knowledge Academy Limited)	0	0.00	0.00	0	0.00	0.00	0.00
45	Amplus Capital Advisors Private Limited	0	0.00	0.00	0	0.00	0.00	0.00
46	Adhigam Investments Private Limited	0	0.00	0.00	0	0.00	0.00	0.00
47	Aahvan Agencies Limited (Formerly Agrimore Limited)	0	0.00	0.00	0	0.00	0.00	0.00
48	Amal Limited	0	0.00	0.00	0	0.00	0.00	0.00
49	Atul Finserv Limited (Formerly Ameer Trading Corporation Limited)	0	0.00	0.00	0	0.00	0.00	0.00
50	Anchor Adhesives Private Limited	0	0.00	0.00	0	0.00	0.00	0.00
51	Atul Bioscience Limited	0	0.00	0.00	0	0.00	0.00	0.00
52	Rudolf Atul Chemicals Limited	0	0.00	0.00	0	0.00	0.00	0.00
53	Style Audit LLP	0	0.00	0.00	0	0.00	0.00	0.00
54	JP Trunkshow LLP	0	0.00	0.00	0	0.00	0.00	0.00
	<b>TOTAL</b>	<b>50000</b>	<b>100.00</b>	<b>0.00</b>	<b>4153215</b>	<b>40.74</b>	<b>1.54</b>	<b>(59.24)</b>

Note: (1) Existing 50,000 Equity shares stand cancelled pursuant to the Composite Scheme of Arrangement. (2) Change in% shareholding due to allotment of equity shares during the year pursuant to the Composite Scheme of Arrangement.

## (iii) Change in Promoters' Shareholding (Specify if there is no Change)

Sr. No.	Name of Promoter	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>1</b>	<b>Aura Securities Private Limited</b>				
	At the beginning of the year	0	0.00	--	--
	*Allotment (04.12.2018)	3551617	34.84	3551617	34.84
	At the End of the year	--	--	3551617	34.84
<b>2</b>	<b>Aura Business Ventures LLP</b>				
	At the beginning of the year	0	0.00	--	--
	*Allotment (04.12.2018)	30000	0.29	30000	0.29
	Purchase (15.03.2019)	203329	1.99	233329	2.29
	At the End of the year	--	--	233329	2.29
<b>3</b>	<b>Sanjaybhai Shrenikbhai Lalbhai</b>				
	At the beginning of the year	49994	99.98	--	--
	#Cancelled	(49994)	(99.98)	0	0.00
	*Allotment (04.12.2018)	1456	0.01	1456	0.01
	At the End of the year	--	--	1456	0.01
<b>4</b>	<b>Jayshreeben Sanjaybhai Lalbhai</b>				
	At the beginning of the year	1	0.00	--	--
	#Cancelled	(1)	(0.00)	0	0.00
	*Allotment (04.12.2018)	5023	0.05	5023	0.05
	At the End of the year	--	--	5023	0.05
<b>5</b>	<b>Punit Sanjaybhai Lalbhai</b>				
	At the beginning of the year	1	0.00	--	--
	#Cancelled	(1)	(0.00)	0	0.00
	*Allotment (04.12.2018)	137	0.00	137	0.00
	At the End of the year	--	--	137	0.00
<b>6</b>	<b>Kulin Sanjaybhai Lalbhai</b>				
	At the beginning of the year	1	0.00	--	--
	#Cancelled	(1)	(0.00)	0	0.00
	*Allotment (04.12.2018)	1960	0.02	1960	0.02
	At the End of the year	--	--	1960	0.02
<b>7</b>	<b>Poorvaben Punitbhai Lalbhai</b>				
	At the beginning of the year	1	0.00	--	--
	#Cancelled	(1)	(0.00)	0	0.00
	At the End of the year	--	--	0	0.00
<b>8</b>	<b>Jainaben Kulinbhai Lalbhai</b>				
	At the beginning of the year	1	0.00	--	--
	#Cancelled	(1)	(0.00)	0	0.00
	At the End of the year	--	--	0	0.00
<b>9</b>	<b>Ishaan Punit Lalbhai</b>				
	At the beginning of the year	0	0.00	--	--
	At the End of the year	--	--	0	0.00
<b>10</b>	<b>Ruhani Punit Lalbhai</b>				
	At the beginning of the year	0	0.00	--	--
	At the End of the year	--	--	0	0.00
<b>11</b>	<b>Ananyaa Kulin Lalbhai</b>				
	At the beginning of the year	0	0.00	--	--
	At the End of the year	--	--	0	0.00

Notes: \* Allotment of Equity shares pursuant to Composite Scheme of Arrangement.

# Existing 50,000 Equity shares stand cancelled pursuant to the Composite Scheme of Arrangement.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs):

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year*	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>HDFC Trustee Company Ltd - A/c HDFC Mid - Cap Opportunities Fund</b>				
	At the beginning of the year	0	0.00	--	--
	*Allotment (04.12.2018)	446125	4.38	446125	4.38
	Purchase (15.03.2019)	55200	0.54	501325	4.92
	At the End of the year	--	--	501325	4.92
<b>2</b>	<b>The New India Assurance Company Limited</b>				
	At the beginning of the year	0	0.00	--	--
	*Allotment (04.12.2018)	261352	2.56	261352	2.56
	At the End of the year	--	--	261352	2.56
<b>3</b>	<b>Canara Robeco Mutual Fund A/c Canara Robeco Emerging Equities</b>				
	At the beginning of the year	0	0.00	--	--
	*Allotment (04.12.2018)	63888	0.63	63888	0.63
	Purchase (22.03.2019)	133600	1.31	197488	1.94
	Purchase (29.03.2019)	61000	0.60	258488	2.54
	At the End of the year	--	--	258488	2.54
<b>4</b>	<b>AML Employee Welfare Trust</b>				
	At the beginning of the year	0	0.00	--	--
	*Allotment (04.12.2018)	234345	2.30	234345	2.30
	At the End of the year	--	--	234345	2.30
<b>5</b>	<b>Kotak Funds - India Midcap Fund</b>				
	At the beginning of the year	0	0.00	--	--
	*Allotment (04.12.2018)	196296	1.93	196296	1.93
	At the End of the year	--	--	196296	1.93
<b>6</b>	<b>SI Investments And Broking Private Limited</b>				
	At the beginning of the year	0	0.00	--	--
	Purchase (08.03.2019)	92009	0.90	92009	0.90
	Purchase (15.03.2019)	178961	1.76	270970	2.66
	Purchase (22.03.2019)	30	0.00	271000	2.66
	Sale (29.03.2019)	(79900)	(0.78)	191100	1.87
	At the End of the year	--	--	191100	1.87
<b>7</b>	<b>Kotak Standard Multicap Fund</b>				
	At the beginning of the year	0	0.00	--	--
	*Allotment (04.12.2018)	224763	2.20	224763	2.20
	Sale (15.03.2019)	(38339)	(0.38)	186424	1.83
	Sale (29.03.2019)	(1239)	(0.01)	185185	1.82
	At the End of the year	--	--	185185	1.82

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>8</b>	<b>Multiples Private Equity FII I</b>				
	At the beginning of the year	0	0.00	--	--
	*Allotment (04.12.2018)	169283	1.66	169283	1.66
	At the End of the year	--	--	169283	1.66
<b>9</b>	<b>Life Insurance Corporation Of India</b>				
	At the beginning of the year	0	0.00	--	--
	*Allotment (04.12.2018)	149593	1.47	149593	1.47
	At the End of the year	--	--	149593	1.47
<b>10</b>	<b>Nirmal Bang Financial Services Private Limited</b>				
	At the beginning of the year	0	0.00	--	--
	Purchase (08.03.2019)	98838	0.97	98838	0.97
	Purchase (15.03.2019)	11162	0.11	110000	1.08
	At the End of the year	--	--	110000	1.08

Note: \* Allotment of Equity shares pursuant to Composite Scheme of Arrangement.

**(v) Shareholding of Directors and Key Managerial Personnel**

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Mr. Sanjaybhai S. Lalbhai – Chairman &amp; Non-Executive Director</b>				
	At the beginning of the year	49994	99.98	--	--
	#Cancelled	(49994)	(99.98)	0	0.00
	*Allotment (04.12.2018)	1456	0.01	1456	0.01
	At the end of the year	--	--	1456	0.01
<b>2</b>	<b>Mr. Punitbhai S. Lalbhai - Non-Executive Director</b>				
	At the beginning of the year	1	0.00	--	--
	#Cancelled	(1)	(0.00)	0	0.00
	*Allotment (04.12.2018)	137	0.00	137	0.00
	At the end of the year	--	--	137	0.00
<b>3</b>	<b>Mr. Samvegbhai Lalbhai - Non-Executive Director (Appointed w.e.f. 01.11.2018)</b>				
	At the beginning of the year	0	0.00		
	*Allotment (04.12.2018)	1344	0.01	1344	0.01
	At the end of the year	--	--	1344	0.01
<b>4</b>	<b>Mr. Arpit Patel - Independent Director (Appointed w.e.f. 01.11.2018)</b>				
	At the beginning of the year	0	0.00	--	--
	Date wise increase/decrease in shareholding during the year	--	--	0	0.00
	At the end of the year	--	--	0	0.00



Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>5</b>	<b>Mr. Ganpatraj Chowdhary - Independent Director (Appointed w.e.f. 01.11.2018)</b>				
	At the beginning of the year	0	0.00	--	--
	Date wise increase/decrease in shareholding during the year	--	--	0	0.00
	At the end of the year	--	--	0	0.00
<b>6</b>	<b>Ms. Reena Bhagwati - Independent Director (Appointed w.e.f. 01.11.2018)</b>				
	At the beginning of the year	0	0.00	--	--
	Purchase (08.03.2019)	1074	0.01	1074	0.01
	At the end of the year	--	--	1074	0.01
<b>7</b>	<b>Mr. Paresh Shah - Non Executive Director (Resigned w.e.f. 01.11.2018)</b>				
	At the beginning of the year	0	0.00	--	--
	Date wise increase/decrease in shareholding during the year	--	--	0	0.00
	At the end of the year	--	--	0	0.00
<b>8</b>	<b>Mr. Rishi Roop Kapoor - Chief Executive Officer (Appointed w.e.f. 03.12.2018)</b>				
	At the beginning of the year	0	0.00	--	--
	*Allotment (04.12.2018)	11	0.00	11	0.00
	At the end of the year	--	--	11	0.00
<b>9</b>	<b>Mr. Rakesh Kumar Poddar - Chief Financial Officer (Appointed w.e.f. 03.12.2018)</b>				
	At the beginning of the year	0	0.00	--	--
	Date wise increase/decrease in shareholding during the year	0	0.00	0	0.00
	At the end of the year	--	--	0	0.00
<b>10</b>	<b>Mr. Chintankumar Patel - Company Secretary (Appointed w.e.f. 03.12.2018)</b>				
	At the beginning of the year	0	0.00	--	--
	Allotment of Fractional shares as a trustee acting on behalf of the fractional shareholders pursuant to composite scheme of arrangement. (04.12.2018)	103185	1.01	103185	1.01
	At the end of the year	--	--	103185	1.01

Notes: \* Allotment of Equity shares pursuant to Composite Scheme of Arrangement.

#Existing 50,000 Equity shares stand cancelled pursuant to the Composite Scheme of Arrangement.

## V. INDEBTEDNESS

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
Addition	738.19	-	-	738.19
Reduction	-	-	-	-
<b>Net Change</b>	<b>738.19</b>	<b>-</b>	<b>-</b>	<b>738.19</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	738.19	-	-	738.19
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>738.19</b>	<b>-</b>	<b>-</b>	<b>738.19</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

## A. Remuneration to Managing Director, Wholetime Directors and/ or Manager : Not Applicable

## B. Remuneration to other Directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		*Arpit Patel	*Ganpatraj Chowdhary	*Reena Bhagwati	
<b>(1)</b>	<b>Independent Directors</b>				
	- Fee for attending board / committee meetings	40,000/-	40,000/-	20,000/-	1,00,000/-
	- Commission	--	--	--	--
	- Others, please specify	--	--	--	--
	<b>Total (1)</b>	<b>40,000/-</b>	<b>40,000/-</b>	<b>20,000/-</b>	<b>1,00,000/-</b>
<b>(2)</b>	<b>Other Non-Executive Directors</b>				
	- Fee for attending board / committee meetings	10,000/-	30,000/-	--	40,000/-
	- Commission	--	--	--	--
	- Others, please specify	--	--	--	--
	<b>Total (2)</b>	<b>10,000/-</b>	<b>30,000/-</b>	<b>--</b>	<b>40,000/-</b>
	<b>Total (B) = (1)+(2)</b>				<b>1,40,000/-</b>
	Ceiling as per the Act	1% of the Net profits of the Company			
	Total Managerial Remuneration				<b>1,40,000/-</b>
	Overall Ceiling as per the Act	11% of the Net profits of the Company			

\* Appointed w.e.f. 01.11.2018

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**
**(Amount in ₹)**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		*Rishi Roop Kapoor	*Rakesh Kumar Poddar	*Chintankumar Patel	
		Chief Executive Officer	Chief Financial Officer	Company Secretary	
1.	Gross Salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	58,83,832	9,58,215	2,14,707	7,05,6754
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	2,46,668	--	--	2,46,668
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission - as % Profit - Other, specify ....	-- --	-- --	-- --	-- --
5	Others, please specify - NPS,PF, Gratuity and Super Annuation	3,43,661	68,975	10,882	4,23,518
	<b>Total (A)</b>	<b>67,74,161</b>	<b>10,27,190</b>	<b>2,25,589</b>	<b>77,26,940</b>

\* Appointed w.e.f. 03.12.2018

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT /COURT]	Appeal made, if any (give details)
<b>A.COMPANY/ DIRECTORS/ OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

## Annexure – F to the Directors’ Report

Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sr. No.	Particulars	Status	Number of times	
			If total remuneration of the director is considered	If total remuneration of the Director excluding variable pay and commission is considered
i	The ratio of the remuneration of each director to median remuneration of the employees of the Company for F.Y. 2018-19.	Mr. Sanjay S. Lalbhai	0.07	0.07
		Mr. Punit S. Lalbhai	0.22	0.22
		*Mr. Samvegbhai Lalbhai	0.00	0.00
		*Mr. Arpit Patel	0.03	0.03
		*Mr. Ganpatraj Chowdhary	0.03	0.03
		*Ms. Reena Bhagwati	0.15	0.15
		** Mr. Paresh Shah	0.00	0.00
ii	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<b>Director</b>	Not Applicable being first year	
		Mr. Sanjay S. Lalbhai		
		Mr. Punit S. Lalbhai		
		*Mr. Samvegbhai Lalbhai		
		*Mr. Arpit Patel		
		*Mr. Ganpatraj Chowdhary		
		*Ms. Reena Bhagwati		
		** Mr. Paresh Shah		
		<b>#Chief Executive Officer</b>		
		Mr. Rishi Roop Kapoor		
		<b>#Chief Financial Officer</b>		
		Mr. Rakesh Kumar Poddar		
<b>#Company Secretary</b>				
Mr. Chintankumar Patel				
iii	The percentage increase in the median remuneration of employees in the F.Y. 2018-19.	Not applicable being first year		
iv	The number of permanent employees on the rolls of Company.	159 Employees as on 31st March, 2019.		
v	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year (i.e. F.Y. 2018-19) and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Not applicable being first year		
vi	Affirmation that the remuneration is as per the remuneration policy of the Company.	It is affirmed that the remuneration is as per the Remuneration Policy of the Company.		

\* Appointed w.e.f. 01.11.2018 \*\* Resigned w.e.f. 01.11.2018 # Appointed w.e.f. 03.12.2018

# Management Discussion and Analysis

## (a) Industry structure and developments:

The Company caters to wide range of process industries including Oil & Gas, Petrochemicals, LNG, Fertilizers, Chemicals/Pharmaceuticals, Power, Water, Paper & Pulp and Aerospace with its extensive product range of Heat Exchangers, Reactors, Pressure Vessels, Columns & Towers, Industrial Centrifuges & Formed Components.

Medium to long term outlook for the process plants, across the industry sectors looks positive and that is reflected in the spate of green-field as well as expansion projects already announced in India and worldwide. In particular, the Oil & Gas sector, which forms the largest customer segment for your company, looks poised to do quite well.

Market leaders in Oil & Gas like ADNOC and Saudi Aramco are looking at expanding their base in India. New Projects are coming up and Refineries increasing their Refining capacities. Further the Refineries are also going for value addition by investing in integrated petrochemical plants.

## (b) Listing of your Company on NSE & BSE

Your Company got listed on NSE and BSE on 1st March, 2019.

The Anup Engineering Limited" (erstwhile subsidiary company of Arvind Limited) was originally incorporated in the year 1962 under the Companies Act, 1956. In the year 2017 Arvind Limited decided to demerge The Anup Engineering Limited as separate entity under the provisions of Sections 230 to 232 read with section 66 and other applicable provision of the Companies Act, 2013. The Hon'ble National Company Law Tribunal ("NCLT"), Bench at Ahmedabad, vide its Order dated 26th October 2018, has approved the Composite Scheme of Arrangement ("scheme") and that the Company was demerged from Arvind Limited and amalgamated in to Anveshan Heavy Engineering Limited (Transferee Company) and subsequently pursuant to said order the name of Anveshan Heavy Engineering Limited (Transferee Company) changed to The Anup Engineering Limited vide Fresh Certificate of Incorporation pursuant to change of name dated 29th January, 2019 issued by the Registrar of Companies, Ahmedabad, Gujarat.

## (c) Outlook:

Your Company has been able to consistently grow over the past eight years by delivering exceptional performance in the very demanding and challenging replacement/ shutdown segment, catering directly to the end users and has been able to consolidate its position at a time when market overall was at a low ebb. Our customers have endorsed our exceptional on time delivery record, our strong project management skills and reliable quality by placing repeat orders on us and thereby giving us consistent opportunities to go from strength to strength in achieving high customer satisfaction. Today your Company is amongst top fabrication companies in India, exporting process equipment to all parts of the globe, including Americas, Europe, Russia, Middle East and Far East apart from having very strong customer base in India.

With a promising market outlook, your company has embarked on a multi-pronged strategy to achieve its medium and long terms objectives. First and foremost is to augment our manufacturing

capacities and capabilities in order to align with the requirements of high end process equipment which include advanced Shell & Tube exchangers, heavy wall pressure vessels, reactors and columns and sophisticated equipment with exotic metallurgies. Your company has planned a capex of ₹ 150 Crores in the next 3 years starting the current financial year i.e. 2019-20 to develop our new state of the art facility in Kheda (40 km from the current location). This is in addition to the investment of ₹ 80 Crores done in FY 2016-17 and FY 2017-18 to upgrade and modernize the existing Odhav facility and for land acquisition at Kheda.

Secondly your company is striving to add proprietary / special equipment through tie-ups/ collaborations with globally acknowledged technology providers. Your company shall continue to intensify its efforts to reach out to new markets to expand its global customer base and to augment technical skills internally to complement the challenging requirements of the targeted high end product mix.

Over the next couple of years, we will consolidate our leadership position in process equipment domain in general and shell and tube heat exchangers in particular.

## (d) Risks and concerns

Our risk management strategy is based on a clear understanding of various risks i.e. operational risk, marketing risk involved, systematic risk assessment and taking steps to overcome risks and continuous monitoring. Usual risks involved in our business include unforeseen fluctuations in Raw Material prices, sudden cancellation/ deferral in customer orders, unavailability/disruption of labour and unforeseen outage of power supply. Beyond these usual risk items, the management does not foresee any other risk that can severely impair our business outcomes.

## (e) Internal control systems and their adequacy:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Company has an Internal Audit Department with adequate experience and expertise in internal controls, operating system and procedures. In discharging their role and responsibilities, the department is supported by an external audit firm.

The Internal Audit Department reviews the adequacy of internal control system in the Company, its compliance with operating systems and laid down policies and procedures. Based on the report of internal audit function, process owners undertake corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

## (f) Discussion on financial performance with respect to operational performance:

This discussion covers the financial results and other developments during April 2018 to March 2019, in respect of the Company. Published result is as prepared on Indian Accounting Standards (IND AS). Disclosures regarding scheme of merger and amalgamation being shown separately in Notes of Published Results. The financials of the prior reporting periods have not been restated and hence, the numbers are not comparable. Highlights below given only for comparison:

**Financial Highlights for operating performance (excluding Trading income) Q4, H2 and F.Y. 2019****(₹ in Crores)**

	<b>FY19</b>	<b>FY18</b>	<b>H2 2019</b>	<b>H2 2018</b>	<b>Q4 FY19</b>	<b>Q4 FY18</b>
Revenue from Operation	220.7	202.2	143.1	124.9	65.2	82.0
EBITDA	63.5	52.3	38.0	37.1	17.7	25.3
MARGIN	29%	26%	27%	30%	27%	31%
PBT	59.5	52.4	35.4	35.4	16.4	25.8
PAT	42.7	44.6	26.0	33.4	10.9	24.3

In terms of results, we closed F.Y. 2019 on a strong note. Overall revenues for the year grew 10% and stood at ₹221 Crores – excluding trading income.

Revenue from Operation for the year ended 31st March, 2019 were ₹ 220.7 Crores as compared to ₹202.2 Crores on 31st March, 2018. The net profit stood at ₹42.7 Crores (previous year ₹44.6 Crores).

**(g) Material developments in Human Resources / Industrial Relations front, including number of people employed:**

Your Company will continue to improve HR related processes, practices and systems in sync with the organizational objectives. As on 31st March, 2019 there were 159 permanent employees of Management Staff on role of the Company.

**(h) Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including: NIL**

**(i) Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.**

As on 31st March, 2019 the Net Worth of the company stood at ₹281.7 Crore as compared ₹240.7 Crore as on 31st March, 2018.

**(j) Cautionary Statement:**

Statements in this report on describing the Company's objectives, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however differ materially from those expressed or implied.

The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

# Corporate Governance Report

The Board of Directors present the Company's report on Corporate Governance for year ended on 31st March, 2019.

## 1 COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance at The Anup Engineering Limited (Formerly known as Anveshan Heavy Engineering Limited) ("the Company") is a value-based framework to manage our Company affairs in a fair and transparent manner. As a responsible corporate citizen, we use this framework to maintain accountability in all our affairs and employ democratic and open processes. We are adopting applicable guidelines and best practices to ensure timely and accurate disclosure of information regarding our financials, performance and governance of the Company.

### Our corporate governance philosophy is based on the following principles:

- Satisfy the spirit of the law and not just the letter of the law. Corporate Governance standards should go beyond the law.
- Be transparent and maintain a high degree of disclosure levels.
- Make a clear distinction between personal conveniences and corporate resources.
- Communicate externally, in a truthful manner, about how is the Company running internally.
- Have a simple and transparent corporate structure driven solely by business needs.
- The Management is the trustee of the shareholders' capital and not the owner.

The Board of Directors ('the Board') is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance. The Company has optimum combination of executive and non-executive directors including Independent Directors with at least one woman director.

The detailed report on Corporate Governance for the year ended on 31st March, 2019 under applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) is set out below.

## 2 BOARD OF DIRECTORS

### 2.1 Composition of the Board:

The Company has an optimum mix of Non-Executive and Independent Directors including Woman Director. All the members of the Board are competent and are persons of repute with strength of character, professional eminence, having the expertise in their respective disciplines to deal with the management functions of the company.

The Board of Directors comprises of 6 (Six) Directors out of which 3 (Three) Non- Executive Non-Independent Directors including 1 Chairman and 3 (Three) Non-Executive Independent Directors.

The composition of the Board of Directors as at 31st March, 2019:

Sr. No.	Name of Director	Executive/Non-Executive /Independent	No. of Directorships Held in Public Limited Companies (Including the Company)	#Committee(s) position (Including the Company)	
				Member	Chairman
1	Mr. Sanjay S. Lalbhai	Chairman and Non-Executive Director	5	1	1
2	Mr. Punit S. Lalbhai	Non-Executive Director	4	0	1
3	*Mr. Samvegbhai Lalbhai	Non-Executive Director	3	0	0
4	*Mr. Arpit Patel	Independent Director	1	1	1
5	*Mr. Ganpatraj Chowdhary	Independent Director	3	4	0
6	*Ms. Reena Bhagwati	Independent Director	5	4	0
7	**Mr. Paresh Shah	Non-Executive Director	NA	NA	NA

\* Appointed w.e.f. 01.11.2018 \*\*Resigned w.e.f. 01.11.2018

# Only Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

**2.2 Name of other listed entities where Directors of the company are Directors and the category of Directorship:**

<b>Sr. No</b>	<b>Name of Director</b>	<b>Name of listed entities in which the concerned Director is a Director</b>	<b>Category of directorship</b>
1	Mr. Sanjay S. Lalbhai	Arvind SmartSpaces Limited	Chairman & Non-Executive Director
		Arvind Limited	Chairman & Managing Director
		Adani Ports and Special Economic Zone Limited	Independent Director
		Arvind Fashions Limited	Chairman & Non-Executive Director
2	Mr. Punit S. Lalbhai	Arvind Limited	Whole-time Director
		Arvind Fashions Limited	Non-Executive Director
3	Mr. Samvegbhai Lalbhai	Atul Limited	Managing Director
		Bengal Tea & Fabrics Limited	Non-Executive Director
4	Mr. Arpit Patel	Arvind Limited	Independent Director
5	Mr. Ganpatraj Chowdhary	Riddhi Siddhi Gluco Biols Limited	Chairman & Managing Director
		Shree Rama Newsprint Limited	Chairman & Non-Executive Director
6	Ms. Reena Bhagwati	Bhagwati Autocast Limited	Jt. Managing Director
		Eimco Elecon (India) Limited	Independent Director
		Symphony Limited	Independent Director

**2.3 Brief Profile of Directors:**

The Board of Directors comprises of highly renowned professionals of diverse fields. They bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision making process.

The brief profile of the Company's Board of Directors is as under:

**Mr. Sanjay S. Lalbhai – Chairman & Non-Executive Director (DIN - 00008329)**

Mr. Sanjay S. Lalbhai is a Chairman & Non-Executive Director on our Board and one of the Promoters of our Company. Mr. Sanjay S. Lalbhai is also the Chairman and Managing Director of Arvind Limited. Over last four decades he has led the transformation of Arvind from a traditional textile mill into one of the world's leading manufacturers of denims, fine woven fabrics, and apparel solutions. He laid the foundations for the branded apparel business by bringing India's initial brands – Flying Machine and Arrow, and opening Exclusive Brand Outlets. Mr. Sanjay S. Lalbhai serves on the Board of Adani Ports and Special Economic Zone Limited He is the president of Ahmedabad Education Society, Ahmedabad University and CEPT University, and the Chairman of Council of Administration of Ahmedabad Textile Industry Research Association (ATIRA).

Mr. Sanjay S. Lalbhai believes that addressing societal concerns and creating long lasting benefit to society is integral to the business strategy and a duty of every business leader. He provides strategic leadership SHARDA Trust, the CSR arm of Arvind. Mr. Lalbhai is an MBA from Jamnalal Bajaj Institute.

**Mr. Punit S. Lalbhai – Non-Executive Director (DIN - 05125502)**

Mr. Punit S. Lalbhai is the Non-Executive Director on the Board of our Company. He also serving as Executive Director of Arvind Limited. He is currently working on building new businesses for Arvind Limited such as Advanced Materials, Engineering & Agribusiness. Mr. Punit S. Lalbhai has an MBA from INSEAD, France. He is also deeply involved in sustainability conservation. He has done his Masters in Environmental Science from Yale University, USA. He has a Bachelor's degree in Conservation Biology from University of California.

**Mr. Samvegbhai Lalbhai – Non-Executive Director (DIN - 00009278)**

Mr. Samvegbhai Lalbhai is the Non-Executive Director on the Board of our Company. He holds a Bachelor's degree in Commerce from Gujarat University. He is actively associated with Ahmedabad Textile Mills Association, Ahmedabad Textile Industry's Research Association, Gujarat Chamber of Commerce and Industry, Federation of Indian Chamber of Commerce and Industry and Indian Cotton Mills Federation. He is also associated with some of the social institutions established by Lalbhai Group.



**Mr. Arpit Patel - Non-Executive Independent Director (DIN - 00059914)**

Mr. Arpit Patel is appointed as an independent Director on the Board of Company. He is a senior Chartered Accountant with broad experience in handling assignments ranging from statutory audit to corporate advisory involving interplay of various laws. He has contributed as a Partner at M/s. Kantilal Patel & Co. and M/s. S. R. Batliboi & Co. LLP (a member firm of EY Global). At present, he is a Partner at M/s. Arpit Patel & Associates, Chartered Accountants. He has been appointed as a Technical Reviewer of Financial Statements by ICAI, empanelled as a Technical Reviewer with the Quality Review Board established by the Government of India under the Chartered Accountants Act, 1949 and has authored various books in his field.

**Mr. Ganpatraj Chowdhary - Non-Executive Independent Director (DIN - 00344816)**

Mr. Ganpatraj Chowdhary is appointed as an independent Director on the Board of Company. He is also Chairman & Managing Director of Riddhi Siddhi Gluco Biols Limited & Shree Rama Newsprint Limited, began his professional innings in the year 1983 at the age of 20 years. His vision, perseverance & self-confidence enabled him to carve a niche for himself. He is also holding various important positions in Social Sphere like Chairman of Shraman Arogyam, the flagship programme of “JITO APEX”, Vice Chairman & Trustee of Shree Jain Shwetambar Nakoda Parshwanath Tirth, Chairman of Membership Development Committee, JATF, President of Rajasthan Sewa Samiti, Trustee & Advisor, YUVA Unstoppable, Chairman of JITO International etc. Mr. Chowdhary is privileged to have received “Yuva Unstoppable Icon Award” and “AMA – Atlas Dyechem Outstanding Entrepreneur Award 2011”.

**Ms. Reena Bhagwati - Non-Executive Independent Director (DIN - 00096280)**

Ms. Reena Bhagwati is appointed as an independent Director on the Board of Company. She is having 28 years of successful experience providing Fiscal, Strategic and Operations leadership in various Engineering businesses. She is a dynamic, results oriented leader with a proven track record in Foundry and other Engineering businesses. She is a founder of AUREENA FOUNDATION, an NGO with an aim to Change Lives through Education. She is also holding various important positions like President of the Institute of Indian Foundry men (IIF) in 2013-14, Chairperson of the Confederation of Indian Industries (CII), Gujarat State Council in 2016-17, Member of the Governing Body of Ahmedabad Management Association and Director at Eimco Elecon (India) Limited

**2.4 The Board has identified the following skills/expertise/competencies with reference to its business for the effective functioning of the Company and which are currently available with the Board:**

The Company’s core businesses include manufacturing and supply of heavy engineered process equipment including heat exchangers, centrifuges, pressure vessels and other fabricated components in India and abroad. A significant portion of future success also depends on successful expansion of manufacturing facilities at existing and greenfield locations.

Given the above context, following capabilities and expertise have been identified by the Board of Directors for it to function effectively, and are available among the board members collectively:

1. Project management – both for ensuring timely delivery of each equipment, as well as for expansion of facilities
2. B2B sales, marketing and account management
3. International business experience covering operations in new geographies
4. Manufacturing and supply chain management including running production facilities
5. Talent management – especially related to engineering skills

In addition, the team would require general management and financial management skills including commercial, legal and regulatory, risk management, industrial relations, and overall stakeholder management.

**2.5 Agenda of the Board Meetings:**

The annual calendar of Board and Committee Meetings is agreed upon at the beginning of each year. Meetings are governed by a structured Agenda and a Board member may bring up any matter for consideration of the meeting in consultation with the Chairman. Agenda papers are generally circulated to the Board members at least 7 working days in advance. In addition, for any business exigencies the resolutions are passed by circulation and are placed at the subsequent Board or Committee Meeting for ratification/approval. Detailed presentations are made at the meetings on all major issues to enable the Board to take informed decisions.

**Invitees & Proceedings:**

Apart from the Board members, Chief Executive Officer (CEO), Chief Financial Officer (CEO) and Company Secretary also attend the Board Meetings. Other senior management executives are called as and when necessary, to provide additional inputs for the items being discussed by the Board. Both CEO and CFO make presentation on the financial and operational performance of the Company quarterly and annually. They also present annual financial and operational budget.

Head of Internal Audit department, representatives of the Statutory Auditors are the permanent invitees of the Audit Committee meetings to discuss the areas of internal audit as well as highlights of the financial performance of the Company.

#### **Support and Role of Company Secretary:**

The Company Secretary is responsible for convening the Board and Committee meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings. He acts as interface between the Board and the Management and provides required assistance to the Board and the Management.

#### **2.6 Attendance of each Director at the meeting of the Board of Directors and the Last Annual General Meeting:**

During the financial year 2018-19, 5 Board Meetings were held on 1st May, 2018, 30th July, 2018, 6th August, 2018, 1st November, 2018 and 6th February, 2019. The gap between two Board Meetings was within the maximum time gap prescribed in the Companies Act, 2013 and Listing Regulations. The attendance of each Director at these Board Meetings and last Annual General Meeting was as under:

Sr. No	Name of Director	Board Meetings		Whether Present at the Last AGM
		Held during the tenure	Attended	
1	Mr. Sanjay S. Lalbhai	5	5	Yes
2	Mr. Punit S. Lalbhai	5	5	Yes
3	*Mr. Samvegghai Lalbhai	1	0	NA
4	*Mr. Arpit Patel	1	1	NA
5	*Mr. Ganpatraj Chowdhary	1	1	NA
6	*Ms. Reena Bhagwati	1	1	NA
7	**Mr. Paresh Shah	3	3	Yes

\* Appointed w.e.f. 01.11.2018 \*\*Resigned w.e.f. 01.11.2018

#### **2.7 Separate Meeting of Independent Directors:**

Independent Directors play an important role in the governance processes of the Board. They bring their expertise and experience on the deliberations of the Board. This enriches the decision making process at the Board with different points of view and experiences and prevents conflict of interest in the decision making process.

None of the Independent Directors serves as “Independent Directors” in more than seven listed companies. No person has been appointed or continuing as an Alternate Director for an Independent Director of the Company.

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the management.

Schedule IV to the Act, inter alia, prescribes that the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management. During the year, one meeting of independent directors was held on 6th February, 2019. All the Independent Directors attended the Meeting. Mr. Arpit Patel was unanimously elected as the Chairman of the Meeting of the Independent Directors. At the meeting, the Independent Directors reviewed the performance of the non-independent directors (including the Chairperson) and the Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company, management and the board that is necessary for the board to effectively and reasonably perform their duties.

#### **2.8 Disclosure of relationships between the Directors inter-se:**

Except Mr. Sanjay S. Lalbhai, Chairman and Non-Executive Director and his son Mr. Punit S. Lalbhai, Non-Executive Director there is no relationship between the Directors inter-se.

#### **2.9 Number of shares and convertible instruments held by Non-Executive Directors:**

Name of Director	No. of Equity Shares held	Name of Director	No. of Equity Shares held
Mr. Sanjay S. Lalbhai	1456	Mr. Arpit Patel	0
Mr. Punit S. Lalbhai	137	Mr. Ganpatraj Chowdhary	0
Mr. Samvegghai Lalbhai	1344	Ms. Reena Bhagwati	1074

During the year under review, none of the Non-Executive Directors hold any convertible instruments of the Company.

### **2.10 Familiarisation programmes imparted to Independent Directors:**

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their appointment letter along with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The Company has through presentations at regular intervals, familiarized and updated the Independent Directors with the strategy, operations and functions of the Company and Engineering Industry as a whole. The details of such familiarization programmes for Independent Directors are posted on the website of the Company at [www.anupengg.com](http://www.anupengg.com) > Investor > Policies.

### **2.11 Code of Conduct for Directors and Senior Management Personnel:**

In terms of Regulation 17 of the Listing Regulations and Section 149 of the Companies Act, 2013, the Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The said Code of Conduct has been posted on the website of the Company. The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The CEO of the Company has given a declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code.

### **2.12 Code of Conduct for Prohibition of Insider Trading:**

SEBI (Prohibition of Insider Trading) Regulations, 2015 was amended pursuant to the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 dated 31st December, 2018 and the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019 dated 21st January, 2019 (the "Insider Trading Amendment") (together, the "Insider Trading Regulations") the Company has formulated and adopted revised Code for Prohibition of Insider Trading vide passing circular resolution dated 30th March, 2019.

Chief Financial Officer is responsible for implementation of the Code.

All Directors, designated employees/persons and connected persons have affirmed compliance with the code.

### **2.13 Committees of the Board:**

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following 5 (Five) Committees viz:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Management Committee

The terms and reference to these Committees are determined by the Board and their relevance reviewed from time to time. Each of these Committees has been mandated to operate within a given framework. Minutes of the meetings of each of these Committees are tabled regularly at the Board Meetings for their perusal and noting.

## **3 AUDIT COMMITTEE**

The Board of Directors of the Company at its meeting held on 1st November, 2018 has constituted the Audit Committee in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on 31st March, 2019, the Audit Committee of the Company comprises of three Directors viz. Mr. Arpit Patel, Mr. Ganpatraj Chowdhary and Ms. Reena Bhagwati. All the members of the Committee are Non-Executive and Independent Directors. Mr. Arpit Patel, an Independent Director acts as Chairman of the Committee. The Committee members are having requisite experience in the fields of Finance, Accounts and Management. The Chief Executive Officer, Chief Financial Officer, Internal Auditor and representatives of Statutory Auditors are the permanent invitees at the Audit Committee meetings and the Company Secretary acts as the Secretary of the Audit Committee.

### **3.1 Terms of Reference:**

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company has revised the terms of reference of the Committee. The revised terms of reference are:

- (1) oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

- (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion / Qualification in the draft audit report;
- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the board to take up steps in this matter;
  - (7) reviewing and monitoring the auditor's independence; performance, and effectiveness of audit process;
  - (8) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
  - (9) approval or any subsequent modification of transactions of the listed entity with related parties;
  - (10) scrutiny of inter-corporate loans and investments;
  - (11) valuation of undertakings or assets of the company, wherever it is necessary;
  - (12) evaluation of internal financial controls and risk management systems;
  - (13) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - (14) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - (15) discussion with internal auditors of any significant findings and follow up there on;
  - (16) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - (17) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - (18) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - (19) to review the functioning of the whistle blower mechanism;
  - (20) approval of appointment of Chief Financial Officer (i.e. the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  - (21) reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
  - (22) to review the compliance with the provisions of Regulation 9A of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and to verify that the systems for internal control are adequate and are operating effectively;
  - (23) to carry out any other function as is mentioned in the terms of reference of the Audit Committee.

**Audit Committee shall mandatorily review the following information:**

- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses; and
- (5) the appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the audit committee;
- (6) statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 3.2 Composition of Audit Committee, number of Meetings held and participation at the Meetings during the year:

During the year, the Meeting of the Audit Committee was held on 6th February, 2019.

Sr. No.	Name of Committee members	Category	Position	Number of Meetings held	Number of Meetings attended
1	*Mr. Arpit Patel	Independent Director	Chairman	1	1
2	*Mr. Ganpatraj Chowdhary	Independent Director	Member	1	1
3	*Ms. Reena Bhagwati	Independent Director	Member	1	1

\* Appointed w.e.f. 01.11.2018

## 4 NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of the Company at its meeting held on 1st November, 2018 has constituted the Nomination and Remuneration Committee (“NRC”) in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on 31st March, 2019, the Nomination and Remuneration Committee of the Company comprised of 3 directors out of which 2 Directors are Independent Directors and 1 Non-Executive Director viz. Mr. Arpit Patel, Mr. Ganpatraj Chowdhary and Mr. Punit S. Lalbhai. Mr. Arpit Patel, an Independent Director, acts as Chairman of the Committee.

### 4.1 The terms of reference of the Committee:

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company has revised the terms of reference of the Committee. The revised terms of reference are:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;
- (5) Specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- (6) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (7) recommend to the board, all remuneration, in whatever form, payable to senior management;
- (8) to administer and supervise Employee Stock Options Schemes (ESOS) including framing of policies related to ESOS and reviewing grant of ESOS;
- (9) Carrying out any other function as is mentioned in the terms of reference of the Nomination and Remuneration Committee.

### 4.2 Composition of Nomination and Remuneration Committee, number of Meetings held and participation at the Meetings during the year:

During the year, the meeting of Nomination and Remuneration Committee was held on 6th February, 2019.

Sr. No.	Name of Committee members	Designation	Position	Number of Meetings held	Number of Meetings attended
1	*Mr. Arpit Patel	Independent Director	Chairman	1	1
2	*Mr. Punit S. Lalbhai	Non-Executive Director	Member	1	1
3	*Mr. Ganpatraj Chowdhary	Independent Director	Member	1	1

\* Appointed w.e.f. 01.11.2018

#### 4.3 Evaluation of the Board's Performance:

During the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board and committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

#### 4.4 Remuneration of Directors:

Remuneration of Executive Directors is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and the Shareholders of the Company.

At present entire board of company comprised of all Non-Executive directors and the remuneration of Non-Executive Directors is determined by the Board and is also approved by the Shareholders. Non-Executive and Independent Directors were paid only Sitting Fees of ₹ 10,000/- for every meeting of Board of Directors or Committee attended by them.

The details of remuneration paid to Non-Executive Directors are as under:

Sr. No.	Name of Directors	Sitting Fees (Amount in ₹)
1	Mr. Sanjay S. Lalbhai	10,000
2	Mr. Punit S. Lalbhai	30,000
3	Mr. Samvegbhai Lalbhai	Nil
4	Mr. Arpit Patel	40,000
5	Mr. Ganpatraj Chowdhary	40,000
6	Ms. Reena Bhagwati	20,000

#### 4.5 Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:

The details of stock options granted to the eligible employees under The Anup Engineering Limited (TAEL) - Employee Stock Option Scheme - 2018 and The Anup Engineering Limited (TAEL) Employee Stock Option Scheme (DEMERGER) - 2018 are provided in the Director's Report of the Company. Please refer point No. 8 - Employee Stock Option Scheme in Directors' Report.

None of the Directors of the company / Key managerial Personnel had any pecuniary relationship with the Company during the year.

The Company has disclosed the criteria of making payment to Non-Executive Directors and the same is posted on the website of the Company at [www.anupengg.com](http://www.anupengg.com) > Investor > Policies.

## 5 STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board of Directors of the Company at its meeting held on 1st November, 2018 has constituted the Stakeholders' Relationship Committee ("SRC") in compliance with the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on 31st March, 2019, the SRC of the Company comprises of 3 directors out of which 2 Directors are Independent Directors and 1 Non-Executive Director viz. Mr. Arpit Patel, Mr. Ganpatraj Chowdhary and Mr. Punit S. Lalbhai. Mr. Punit S. Lalbhai, Non-Executive Director, acts as Chairman of the Committee. No committee meeting was held during the year.

### 5.1 Terms of reference of the Committee:

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company has revised the terms of reference of the Committee. The revised terms of reference are:

- (1) resolving the grievances of the security holders of the company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, dematerialization / rematerialization of Shares and debentures, general meetings etc;
- (2) review of measures taken for effective exercise of voting rights by shareholders;

- (3) review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar and Share Transfer Agent;
- (4) review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- (5) to look into the reasons for any defaults in the payment to the Depositors, Debenture holders, Shareholders (in case of non-payment of declared dividends) and Creditors;
- (6) carrying out any other function as is mentioned in the terms of reference of the Stakeholder's Relationship Committee.

### 5.2 Name and designation of Compliance Officer:

Mr. Chintankumar Patel  
Company Secretary

### 5.3 Details of Complaints / Queries received and redressed during 1st April, 2018 to 31st March, 2019:

Number of shareholders' complaints pending at the beginning of the year	Number of shareholders' complaints received during the year	Number of shareholders' complaints redressed during the year	Number of shareholders' complaints pending at the end of the year
Nil	Nil	Nil	Nil

## 6 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors of the Company at its meeting held on 1st November, 2018 has constituted the Corporate Social Responsibility Committee ("CSR") in compliance with the provisions of Section 135 read with Schedule VII of the Companies Act, 2013. As on 31st March, 2019, Corporate Social Responsibility Committee of the Company comprised of 3 directors out of which 2 Directors are Independent Directors and 1 Director is Non-Executive Director viz. Mr. Arpit Patel, Mr. Ganpatraj Chowdhary and Mr. Punit S. Lalbhai. Mr. Punit S. Lalbhai, Non-Executive Director, acts as Chairman of the Committee.

### 6.1 Terms of reference of the Committee:

- (1) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the Companies Act, 2013;
- (2) to finalise a list of CSR projects or programs or initiatives proposed to be undertaken periodically including the modalities for their execution / implementation schedules and to review the same from time to time in accordance with requirements of section 135 of the Companies Act 2013;
- (3) recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- (4) monitor the Corporate Social Responsibility Policy of the company from time to time;
- (5) review the CSR report and other disclosures on CSR matters for the approval of the Board for their inclusion in the Board report.

### 6.2 Composition of Corporate Social Responsibility Committee, number of Meetings held and participation at the Meetings during the year:

During the year, the meeting of Corporate Social Responsibility was held on 6th February, 2019.

Sr. No.	Name of Committee members	Designation	Position	Number of Meetings held	Number of Meetings attended
1	Mr. Punit S. Lalbhai	Non-Executive Director	Chairman	1	1
2	*Mr. Arpit Patel	Independent Director	Member	1	1
3	*Mr. Ganpatraj Chowdhary	Independent Director	Member	1	1

\* Appointed w.e.f. 01.11.2018

## 7 MANAGEMENT COMMITTEE

The Board of Directors of the Company has constituted the Management Committee of the Board of Directors. The committee comprises of 2 Non-Executive Directors.

### 7.1 Role :

The Management Committee's primary role is to look after the day-to-day business activities of the Company within Board approved direction/ framework. The Committee meets frequently, as and when need arises, to transact matters within the purview of its terms of reference.

**7.2 Composition of Management Committee, number of Meetings held and participation at the Meetings during the year:**

During the year, two Management Committee Meetings were held on various dates.

Sr. No.	Name of Committee members	Designation	Position	Number of Meetings held	Number of Meetings attended
1	Mr. Sanjay S. Lalbhai	Non-Executive Director	Chairman	2	2
2	Mr. Punit S. Lalbhai	Non-Executive Director	Member	2	2

**8 INFORMATION OF GENERAL BODY MEETINGS****8.1 The last three Annual General Meetings (AGM) were held as under:**

F.Y.	Day, Date and Time	Meeting and Venue	Details of Special Resolution
2017-18	Saturday 29th September, 2018 10.00 a.m.	1st Annual General Meeting Behind 66 KV Elec. Sub-Station, Odhav Road, Ahmedabad - 382415	<ul style="list-style-type: none"> <li>- Approval under Section 180(1)(c) of the Companies Act, 2013 for borrowing power upto ₹ 500 Crores;</li> <li>- Approval under Section 180 (1)(a) of the Companies Act, 2013 for creation of charge, mortgage etc. on assets of the Company upto ₹ 500 Crores;</li> <li>- Approval under Section 186 of the Companies Act, 2013 for Intercorporate loan and borrowings upto ₹ 500 Crores;</li> <li>- To Keep register of members &amp; others at place other than the registered office of the company;</li> <li>- To adopt new set of Article of Association of the company.</li> </ul>

**8.2 Details of Resolution Passed through Postal Ballot, the person who conducted the Postal Ballot Exercise and details of the voting pattern:** No resolution has been passed through the exercise of Postal Ballot during the year.**9 MEANS OF COMMUNICATIONS**

The quarterly, half - yearly and annual financial results of the Company are uploaded on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre in accordance with the requirements of Listing Regulations. The financial results are displayed on BSE and NSE websites. The financial results are also published in 'Financial Express' (English) and 'Financial Express' (Gujarati) newspapers and posted on the Company's website at [www.anupengg.com](http://www.anupengg.com) > Investors > Financial Reports. In terms of the Listing Regulations, the Company has a designated email ID for dealing with Investors' complaints viz., investorconnect@anupengg.com. The press releases, Investor presentations and transcript of post result analyst & investors conference call are posted on the Company's website.

**10 GENERAL SHAREHOLDER INFORMATION****10.1 Annual General Meeting:**

Date	7th August, 2019
Time	9:30 a.m.
Venue	J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380015

**10.2 Financial Calendar:**

The Financial Year of the Company is for a period of 12 months from 1st April to 31st March.

First quarter results	First week of August, 2019
Second Quarter/Half Yearly Results	Last week of October, 2019
Third Quarter Results	Last week of January, 2020
Fourth quarter Results / Year end Results	First week of May, 2020

**10.3 Book Closure:** Thursday, 1st August, 2019 to Wednesday, 7th August, 2019 (Both Days inclusive).**10.4 Dividend payment Date:** The dividend if declared at the Annual General Meeting will be paid on or after 7th August, 2019.



**10.5 Listing on Stock Exchanges:** Equity Shares of the Company are listed on the following Stock Exchanges:

Name of the Stock Exchange	Script Code	Address
BSE Limited	542460	25th Floor, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001
National Stock Exchange of India Limited	ANUP	Exchange Plaza, Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051

The Company has paid Annual Listing Fees for the Financial Year 2019-20 to each stock Exchanges.

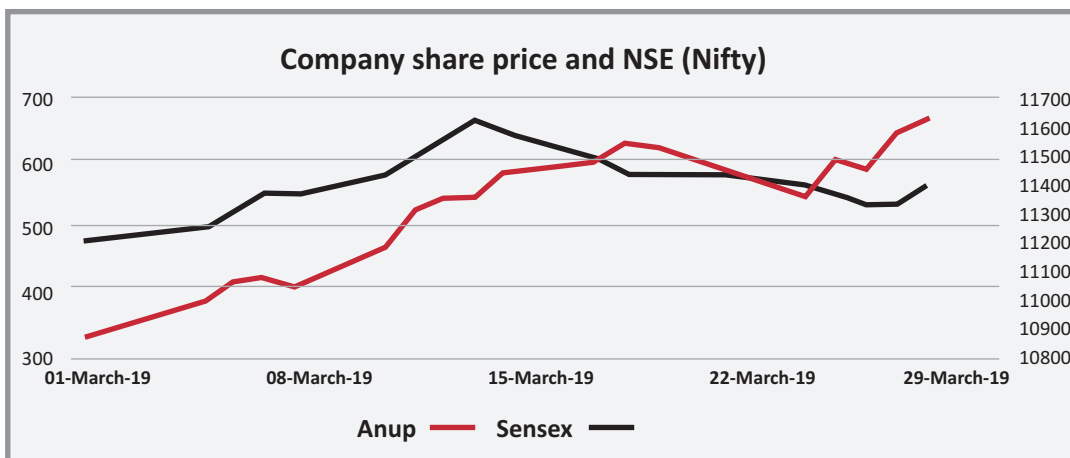
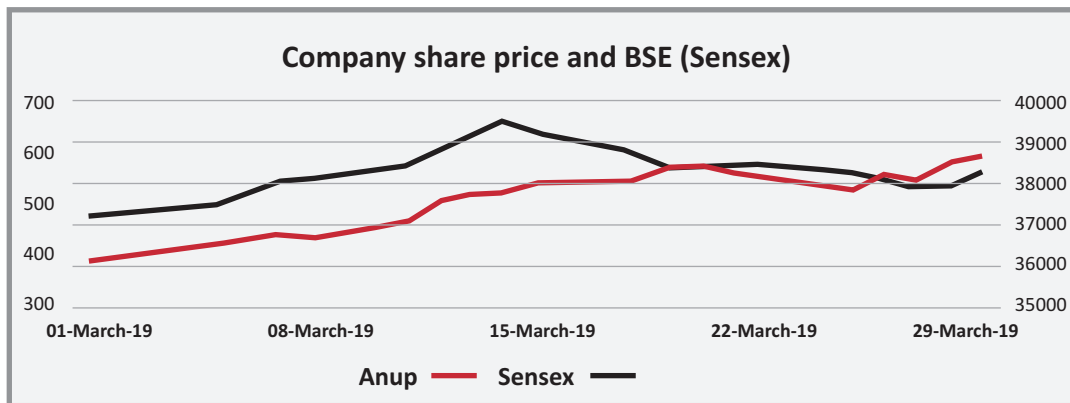
**10.6 Market Price data:**

The Market and volume of the Company's share traded on BSE Limited and National Stock Exchange of India Limited during the financial year 2018-19 were as under:

Weekly	Share Price on BSE		Volumes No. of Shares	BSE Sensex		Share Price on NSE		Volumes No. of Shares	NSE (Nifty)	
	High (₹)	Law (₹)		High (₹)	Law (₹)	High (₹)	Law (₹)		High (₹)	Law (₹)
01.03.2019	474.15	451.60	91,164	36,140.67	35,952.41	472.50	450.00	2,37,784	10877.90	10823.10
08.03.2019	575.00	521.40	1,50,719	36,753.59	36,592.93	573.00	519.60	4,49,000	11049.00	11008.95
15.03.2019	679.90	630.30	12,210	38,254.77	37,760.23	683.80	636.00	62,702	11487.00	11370.80
22.03.2019	602.15	565.00	58,016	38,564.71	38,089.36	603.55	565.00	1,42,338	11572.80	11434.55
29.03.2019	573.00	527.30	17,521	38,748.54	38,546.68	572.65	526.00	60,093	11630.35	11570.15

\*Company Listed at both exchanges w.e.f. 01.03.2019

**Performance of the Company's equity shares (closing share price) in comparison to BSE (Sensex) and NSE (Nifty) during 01.01.2019 (Listing Date) to 31.03.2019:**



**10.7 Registrars and Transfer Agents:**

Link Intime India Private Limited  
 506-508, Amarnath Business Centre-1 (abc-1), Beside Gala Business Centre,  
 Near St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad 380006.  
 Tel No: +91 79 26465179 /86 / 87  
 E-mail id: ahmedabad@linkintime.co.in  
 Website: www.linkintime.co.in

**10.8 Share transfer system:****(i) Delegation of Share Transfer Formalities:**

Since the Company's shares are compulsorily traded in the demat segment on stock exchanges, bulk of the transfers take place in the electronic form. However, shares in the physical form are processed by the Registrar and Share Transfer Agent. However, to expedite the transfers, the Board has delegated share transfer formalities to certain officers of the Company and Registrar and Share Transfer Agent, who attend to them at least 3 times in a month. Physical transfers are affected within the statutory period of one month. The Board has designated the Company Secretary as the Compliance Officer.

**(ii) Share Transfer Details for the period from 1st April, 2018 to 31st March, 2019:**

Transactions	*Physical
Number of Transfers	9
Average Number of Transfers per month	9
Number of Shares Transferred	30
Average Number of Shares Transferred per month	30
Number of Pending Share Transfers	Nil

\*Company Listed at both exchanges w.e.f. 01.03.2019.

**(iii) Investors' Grievances:**

The Registrar and Transfer Agent under the supervision of the Secretarial Department of the Company look after investors' grievances. Link Intime India Private Limited is responsible for redressal of Investors' Grievances. The Company Secretary of the Company has been appointed as the Compliance Officer for this purpose. At each Meeting of the Stakeholders' Relationship Committee, all matters pertaining to investors including their grievances and redressal are reported.

**10.9 Category wise shareholding as on 31st March 2019:**

Sr. No.	Category	No. of shares held	Percentage of Shareholding
1	Promoters and Promoter Group	4153215	40.74
2	Mutual Funds, Alternate Investment Funds and UTI	1089509	10.69
3	Financial Institutions, Banks, Insurance Companies and Central/State Government	447063	4.39
4	Foreign Portfolio Investors, Foreign Institutional Investors, NRIs and Foreign Banks	1206316	11.83
5	NBFCs registered with RBI	527	0.01
6	Bodies Corporate	755142	7.41
7	Individuals	1919507	18.83
8	IEPF	4009	0.04
9	Trusts	294972	2.89
10	Hindu Undivided Family	151289	1.48
11	Non-Resident Indian (NRI)	83367	0.82
12	Clearing Members	88939	0.87
13	Overseas Bodies Corporates	107	0.00
	<b>Total</b>	<b>10193962</b>	<b>100.00</b>

#### 10.10 Distribution of shareholding as on 31st March, 2019:

Share Range		Number of Shareholders	% of total Shareholders	No. of Shares	% of Issued Capital
From	To				
1	500	117752	99.51	1242115	12.18
501	1000	221	0.19	161139	1.58
1001	2000	151	0.13	220789	2.17
2001	3000	57	0.05	141468	1.39
3001	4000	24	0.02	84044	0.82
4001	5000	17	0.01	75380	0.74
5001	10000	33	0.03	249839	2.45
10001	*****	73	0.06	8019188	78.67
<b>Total</b>		<b>118328</b>	<b>100.00</b>	<b>10193962</b>	<b>100.00</b>

#### 10.11 Dematerialisation of shares and liquidity:

The Shares of the Company are compulsorily traded in DEMAT form in the Stock Exchanges where they are listed. The Shares are available for dematerialization on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on 31st March, 2019, 98,32,836 Equity Shares are in Dematerialized Form representing 96.46% of the total 1,01,93,962 Equity Share Capital of the Company. The ISIN allotted to the Company's scrip is INE294Z01018. The Shares of the Company are actively traded at BSE Limited, Mumbai (BSE) and National Stock Exchange of India Limited, Mumbai (NSE).

#### 10.12 Outstanding GDRs / ADRs /Warrants or any Convertible Instruments, conversion date and likely Impact on Equity:

During the financial year 2018-19, the Company has not issued Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or Warrants or any Convertible Instruments except stock option granted to the eligible employee(s) under The Anup Engineering Limited (TAEI) - Employee Stock Option Scheme – 2018 and The Anup Engineering Limited (TAEI) Employee Stock Option Scheme (DEMERGER) – 2018.

#### 10.13 Nomination Facility:

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 are requested to submit the prescribed Form SH-13 for this purpose. Shareholders may write to the Secretarial Department of the Company for a copy of the Form.

#### 10.14 Credit Ratings and any revisions thereto for debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad:

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31st March, 2019. Care Ratings Limited has reaffirmed both the Long Term and Short Term rating of the Company as CARE A+; Stable and CARE A1+; Stable, respectively. There was no revision in the said ratings during the year under review.

#### 10.15 Commodity price risk or foreign exchange risk and hedging activities:

The Company is not exposed to commodity price risk since it generally executes projects through its contractors.

#### 10.16 Plant locations:

Behind 66 KV Elec. Sub-Station, Odhav Road, Ahmedabad-382415, Gujarat, India.

**10.17 Address for correspondence:**

Shareholders may correspond with the Company at the Registered Office of the Company or at the office of Registrars and Transfer Agents of the Company:

<p><b>The Anup Engineering Limited</b> (Formerly Known as Anveshan Heavy Engineering Limited) Behind 66 KV Elec. Sub-Station, Odhav Road, Ahmedabad- 382415 Phone No.: 079-2287 2823, 2287 0622 E-mail: investorconnect@anupengg.com Website: www.anupengg.com</p>	<p><b>Link Intime India Private Limited</b> 506-508, Amarnath Business Centre-1 (abc-1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad-380006 Phone No : +91 79 26465179 /86 / 87 E-mail : ahmedabad@linkintime.co.in Website : www.linkintime.co.in</p>
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**11 OTHER DISCLOSURE**

**11.1** All transactions entered into by the Company with related parties as defined under the Companies Act, 2013 (“the Act”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), during the financial year 2018-19 were in the ordinary course of business and on arm’s length pricing basis and do not attract the provisions of Section 188 of the Act. Transactions with related parties are disclosed in detail in Note No. 31 in “Notes forming part of the Accounts” annexed to the financial statements for the year. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of Company. Suitable disclosure as required by the Indian Accounting Standard (Ind AS 24) has been made in the Annual Report. The policy on dealing with related party transactions is available on website of the company at [www.anupengg.com](http://www.anupengg.com) > [Investors > Policies](#).

**11.2** The Company has complied with the requirements of the Stock Exchanges, SEBI and Statutory Authorities on all matters related to the capital markets during the last three years. No penalty or strictures were imposed on the Company by any of these authorities.

**11.3 Vigil Mechanism :**

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has revised its Whistleblower Policy (WB Policy) on 30th March, 2019 which provides a secured avenue to directors, employees, business associates and all other stakeholders of the company for raising their concerns against the unethical practices, if any. The WB Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

Pursuant thereto, a dedicated helpline “Arvind Ethics Helpline” has been set up which is managed by an independent professional organization.

The Ethics Helpline can be contacted to report any suspected or confirmed incident of fraud /misconduct on:

**Website for complaints:** [www.in.kpmg.com/ethicshelpline/Arvind](http://www.in.kpmg.com/ethicshelpline/Arvind)

**Toll Free No.:** 1800 200 8301

**Dedicated Email ID:** [arvind@ethicshelpline.in](mailto:arvind@ethicshelpline.in)

Whistle blower Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee.

No personnel have been denied access to the Chairman of the Audit Committee, for making complaint on any integrity issue.

**11.4** The policy for determining ‘material’ subsidiaries is available on website of the company: [www.anupengg.com](http://www.anupengg.com) > [Investors > Policies](#).

**11.5** The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated 15th November, 2018 is not required to be given.

**11.6** There were no instances of raising of funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations.

**11.7** A certificate obtain from Ms. Ankita Patel, Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs.

**11.8** In terms of the amendments made to the Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory committees.

**11.9** The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements for financial year 2018-19.

**11.10** Disclosure with respect to demat suspense account/ unclaimed suspense account: Not applicable.

**11.11** The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

**11.12** During the financial year 2018-2019, the total fees for all services paid by the Company, on consolidated basis, to statutory auditor and all entities in the network firm/network entity of statutory auditor was ₹ 13.94 Lakhs.

**11.13 Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Number of complaints filed during the financial year 2018-19:	Nil
Number of complaints disposed off during the financial year 2018-19:	NA
Number of complaints pending as on end of the financial year:	NA

**11.14 Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

The Company has complied with all the mandatory requirements as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The status of compliance with discretionary recommendations and adoption of the non-mandatory requirements as specified in Regulation 27(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided below:

- The Board:** The Chairman of the Company is Non-Executive Director.
- Shareholder Rights:** Half-yearly and other Quarterly financial statements are published in newspapers, uploaded on company's website [www.anupengg.com>investing>results](http://www.anupengg.com>investing>results) and same are not being sent to the shareholders.
- Modified Opinion(s) in Audit Report:** The Company already has a regime of un-qualified financial statement. Auditors have raised no qualification on the financial statements.
- Separate posts of Chairperson and Chief Executive Officer:** Mr. Sanjay S. Lalbhai is the Chairman Mr. Rishi Roop Kapoor is Chief Executive Officer (CEO) of the Company.
- Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee.

**11.15 CEO/CFO Certification:**

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affair. The said certificate is annexed and forms a part of the Annual Report.

**11.16 Certificate on Corporate Governance:**

A compliance certificate from Statutory Auditor pursuant to the requirements of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding compliance of conditions of Corporate Governance is attached.

The above Report was placed before the Board at its meeting held on 20th May, 2019 and the same was approved.

For and on behalf of the Board

**Sanjay S. Lalbhai**

Chairman

Place: Ahmedabad  
Date: 20th May, 2019

## CEO / CFO Certificate

**(Regulation 17(8) and Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,  
The Board of Directors,  
**The Anup Engineering Limited**  
(Formerly known as Anveshan Heavy Engineering Limited)  
Ahmedabad  
Dear Sir,

We, the undersigned, in our respective capacities as the Chief Executive Officer and Chief Financial officer of The Anup Engineering Limited (Formerly known as Anveshan Heavy Engineering Limited) ("the Company") to the best of our knowledge and belief certify that:

- A. We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st March, 2019 and based on our knowledge and belief, we state that:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We further state that to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated, based on our evaluation, wherever applicable, to the Auditors' and the Audit Committee:
- (1) significant changes in internal control over financial reporting during the year, if any;
  - (2) significant changes, if any, in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Place: Ahmedabad  
Date: 20th May, 2019

**Rishi Roop Kapoor**  
Chief Executive Officer

**Rakesh Kumar Poddar**  
Chief Financial Officer

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## Declaration Regarding Compliance with Code of Conduct for Directors and Senior Management Personnel

This is to confirm that the Company has adopted a Code of Conduct for Directors and Senior Management Personnel, which is posted on the Company's website at [www.anupengg.com](http://www.anupengg.com).

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March 2019.

Place: Ahmedabad  
Date: 20th May, 2019

**Rishi Roop Kapoor**  
Chief Executive Officer

# Auditors' Certificate

## Auditors' Certificate regarding compliance of conditions of Corporate Governance

### To the Members of

### The Anup Engineering Limited (Formerly known as Anveshan Heavy Engineering Limited)

We, Sorab S. Engineer and Co., Chartered Accountants, the Statutory Auditors of The Anup Engineering Limited (Formerly Known as Anveshan Heavy Engineering Limited))("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### Managements' Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### Auditor's Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2019.

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

For, **Sorab S. Engineer & Co.,**  
Chartered Accountants  
Firm's Registration No. 110417W

**CA. Chokshi Shreyas B.**  
Partner  
Membership No. 100892

Place: Ahmedabad  
Date: 20th May, 2019

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# Independent Auditor's Report

## TO THE MEMBERS OF THE ANUP ENGINEERING LIMITED (Formerly Known as Anveshan Heavy Engineering Limited)

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of The Anup Engineering Limited ("the Company") (Formerly known as Anveshan Heavy Engineering Limited), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<b>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances</b>	<b>Principal Audit Procedures</b> We assessed the Company's process to identify the impact of adoption of the new revenue

Sr. No.	Key Audit Matter	Auditor's Response
	<p><b>in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</b></p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period, estimate of variable consideration, reduction of revenue on the basis of consideration payable to customers in the form of loyalty points, determination of Principal versus agent consideration, recognition of contract assets and refund liability. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Refer Note 16 to the Financial Statements</p>	<p>accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</li> <li>• Selected a sample of continuing and new contracts and performed the following procedures: <ul style="list-style-type: none"> <li>- Read, analysed and identified the distinct performance obligations in these contracts.</li> <li>- Compared these performance obligations with that identified and recorded by the Company.</li> <li>- Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> <li>- Considered the terms of contracts for</li> </ul> </li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
		<p>determination of Principal versus agent consideration, recognition of contract assets and refund liability including historical trend of returns.</p> <ul style="list-style-type: none"> <li>- Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.</li> <li>- Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</li> <li>- We reviewed the collation of information to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</li> </ul>
2	<p><b>Business Combination</b> During the year, Engineering Division of Arvind Limited was merged with the Company. And, The Anup Engineering Limited was amalgamated into the Company. After the merger, the Company has issued shares to the shareholders of Arvind Limited and to the shareholders of The Anup Engineering Limited and got listed on stock exchange. This requires significant management judgement. Our key audit matter focuses on the valuation of assets acquired (including intangibles) and the completeness of liabilities. Refer Note 40 to the Financial Statements</p>	<p><b>Principal Audit Procedures</b> We performed the following procedures in response to the key audit matter identified:</p> <ul style="list-style-type: none"> <li>• Completed a walkthrough of the merger process and obtained understanding of the transaction by reading the Scheme of Arrangement and the Listing Profile document;</li> <li>• Assessed the design and implementation of the key controls addressing the risk;</li> <li>• Evaluated management's assessment of the due diligence findings and the actions taken;</li> <li>• Risk assessed, appropriately scoped and tested the balances for the acquired business;</li> <li>• Reviewed the key underlying assumptions;</li> <li>• Reviewed the disclosures in the financial statements.</li> </ul>

### Information Other than the Financial Statements and Auditor's 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, 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 are responsible for overseeing the Company's financial reporting process.

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure A**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations in its financial statements – Refer Note 26 to the financial statements;
    - ii. The Company did not have any long-term contract including derivative contracts for which there were any material foreseeable losses;
    - iii. There have been no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **Annexure B** a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Sorab S. Engineer & Co.**

Chartered Accountants  
Firm's Registration No. 110417W

**CA. Chokshi Shreyas B.**

Partner

Place : Ahmedabad

Date : 20th May, 2019

Membership No.100892

## Annexure A To The Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of The Anup Engineering Limited (Formerly known as Anveshan Heavy Engineering 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")**

We have audited the internal financial controls over financial reporting of The Anup Engineering Limited ("the Company") (Formerly known as Anveshan Heavy Engineering Limited) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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 override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Sorab S. Engineer & Co.**

Chartered Accountants

Firm's Registration No. 110417W

**CA. Chokshi Shreyas B.**

Partner

Membership No.100892

Place : Ahmedabad

Date : 20th May, 2019

## Annexure B To The Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of The Anup Engineering Limited (Formerly known as Anveshan Heavy Engineering Limited) of even date)

- i. 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 our 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 us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- ii. As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and the discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the Company, and the same have been properly dealt with in the books of account.
- iii. According to the information and explanations given to us, the Company has not granted secured / unsecured loans to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, requirements of clause (iii) of paragraph 3 of the order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 of the Act. However, the Company has advanced loans or given guarantees or provided security or made investments covered under section 186 of the Act. We are of the opinion that provisions of section 186 of the Act have been complied with.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi. To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under section 148 (1) of the Act in respect of the Company's product. Consequently, requirement of clause (vi) of paragraph 3 of the order are not applicable.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Duty of Custom, Goods and Service Tax, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, no disputed amounts are payable as at March 31, 2019.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks.
- ix. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer.
- x. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company. Consequently, requirements of clause (xii) of paragraph 3 of the order are not applicable.
- xiii. To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares during the year under review. Consequently, requirements of clause (xiv) of paragraph 3 of the order are not applicable.
- xv. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. According to the nature of the business, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Sorab S. Engineer & Co.**

Chartered Accountants  
Firm's Registration No. 110417W

**CA. Chokshi Shreyas B.**

Partner

Membership No.100892

Place : Ahmedabad

Date : 20th May, 2019

**Balance Sheet** as at March 31, 2019

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	5	14,234.73	-
(b) Capital work-in-progress		168.67	-
(c) Intangible assets	6	3,068.17	-
(d) Financial assets			
(i) Loans	7 (b)	4,436.00	-
(ii) Other financial assets	7 (e)	67.49	-
<b>Total non-current assets (A)</b>		<b>21,975.06</b>	<b>-</b>
<b>Current assets</b>			
(a) Inventories	9	8,846.32	-
(b) Financial assets			
(i) Trade receivables	7 (a)	6,953.28	-
(ii) Cash and cash equivalents	7 (c)	0.66	2.43
(iii) Bank balance other than (ii) above	7 (d)	17.74	-
(iv) Other financial assets	7 (e)	2.47	-
(c) Current tax assets (Net)	10	64.68	-
(d) Other current assets	8	1,855.95	1.70
<b>Total current assets (B)</b>		<b>17,741.10</b>	<b>4.13</b>
<b>Total Assets (A) + (B)</b>		<b>39,716.16</b>	<b>4.13</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	11	1,019.40	5.00
(b) Other equity	12	27,145.89	(1.07)
<b>Total equity (A)</b>		<b>28,165.29</b>	<b>3.93</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Long-term provisions	14	74.87	-
(b) Deferred tax liabilities (net)	25	1,260.69	-
<b>Total non-current liabilities (B)</b>		<b>1,335.56</b>	<b>-</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13 (a)	738.19	-
(ii) Trade payables		-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	13 (b)	4,861.30	0.20
(iii) Other financial liabilities	13 (c)	141.64	-
(b) Short-term provisions	14	41.14	-
(c) Other current liabilities	15	4,433.04	-
<b>Total current liabilities (C)</b>		<b>10,215.31</b>	<b>0.20</b>
<b>Total equity and liabilities (A) + (B) + (C)</b>		<b>39,716.16</b>	<b>4.13</b>

See accompanying notes forming part of the financial statements

In terms of our report attached  
For, **Sorab S. Engineer & Co.**  
Chartered Accountants  
Firm's Registration No. 110417W  
**CA. Chokshi Shreyas B.**  
Partner  
Membership No. 100892

Place : Ahmedabad  
Date : 20th May, 2019

For and on behalf of the board of directors of  
**The Anup Engineering Limited**

**Sanjay S. Lalbhai**  
Chairman  
DIN: 00008329  
**Rakesh Kumar Poddar**  
Chief Financial Officer

Place : Ahmedabad  
Date : 20th May, 2019

**Punit S. Lalbhai**  
Director  
DIN: 05125502  
**Chintankumar Patel**  
Company Secretary

# Statement of profit and loss for the year ended March 31, 2019

(₹ in Lakhs)

Particulars	Notes	Year Ended March 31, 2019	For the Period Ended Sep. 14, 2017 to March 31, 2018
<b>I. INCOME</b>			
(a) Revenue from operations	16	24,299.19	
(b) Other income	17	458.15	-
<b>Total income</b>		<b>24,757.34</b>	<b>-</b>
<b>II. EXPENSES</b>			
(a) Cost of raw materials and accessories consumed	18	10,248.00	-
(b) Purchase of stock-in-trade	19	1,863.55	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(536.51)	-
(d) Employee benefits expense	21	1,545.52	-
(e) Finance costs	22	179.85	-
(f) Depreciation and amortisation expense	23	793.00	-
(g) Other expenses	24	4,784.96	1.07
<b>Total expenses</b>		<b>18,878.37</b>	<b>1.07</b>
<b>III. Profit/(loss) before exceptional items and tax (I-II)</b>		<b>5,878.97</b>	<b>(1.07)</b>
<b>IV. Exceptional items</b>		-	-
<b>V. Profit/(loss) before tax (III-IV)</b>		<b>5,878.97</b>	<b>(1.07)</b>
<b>VI. Tax expense</b>	25		
(a) Current tax		1,492.00	-
(b) Deferred tax (Credit)/charge		188.38	-
<b>Total tax expense</b>		<b>1,680.38</b>	<b>-</b>
<b>VII. Profit / (Loss) for the year (V-VI)</b>		<b>4,198.59</b>	<b>(1.07)</b>
<b>VIII. Other comprehensive income / (Loss)</b>			
<b>Items that will not be reclassified to Profit and Loss</b>			
(i) Remeasurement gain/(loss) of defined benefit plans		(10.91)	-
(ii) Income tax related to above item		3.18	-
<b>Net other comprehensive income / (Loss) not to be reclassified to profit or loss in subsequent period</b>		<b>(7.73)</b>	<b>-</b>
<b>Total other comprehensive income / (Loss) for the year, net of tax (VIII)</b>		<b>(7.73)</b>	<b>-</b>
<b>IX. Total comprehensive income for the year, net of tax (VII+VIII)</b>		<b>4,190.86</b>	<b>(1.07)</b>
<b>X. Earning per equity share [nominal value per share ₹10]</b>	32		
Basic		41.19	(3.95)
Diluted		40.85	(3.95)

See accompanying notes forming part of the financial statements

In terms of our report attached  
For, **Sorab S. Engineer & Co.**  
Chartered Accountants  
Firm's Registration No. 110417W  
**CA. Chokshi Shreyas B.**  
Partner  
Membership No. 100892

Place: Ahmedabad  
Date : 20th May, 2019

For and on behalf of the board of directors of  
**The Anup Engineering Limited**

**Sanjay S. Lalbhai**  
Chairman  
DIN: 00008329  
**Rakesh Kumar Poddar**  
Chief Financial Officer  
Place: Ahmedabad  
Date : 20th May, 2019

**Punit S. Lalbhai**  
Director  
DIN: 05125502  
**Chintankumar Patel**  
Company Secretary

# Statement of cash flows for the period ended March 31, 2019

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>A Cash Flow from Operating activities</b>		
<b>Profit before taxation</b>	<b>5,878.97</b>	<b>(1.07)</b>
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation/Amortization	793.00	-
Interest Income	(456.78)	-
Interest and Other Borrowing Cost	162.47	-
Sundry Credit Balances written back	(0.07)	-
Loss on sale of Property, Plant & Equipment	5.59	-
Share Based Payment Expense	18.94	-
	<b>523.15</b>	<b>-</b>
<b>Operating Profit before Working Capital Changes</b>	<b>6,402.12</b>	<b>(1.07)</b>
<b>Adjustments for changes in working capital :</b>		
(Increase) in Inventories	(5,285.12)	-
Decrease in trade receivables	2,391.50	-
(Increase) in other financial assets	(5.56)	-
Increase in trade payables	328.87	0.20
Increase in other financial liabilities	119.89	-
(Increase) in other assets	(548.69)	(1.70)
Increase in other current liabilities	3,646.74	-
Increase in provisions	15.92	-
<b>Net Changes in Working Capital</b>	<b>663.55</b>	<b>(1.50)</b>
<b>Cash Generated from Operations</b>	<b>7,065.67</b>	<b>(2.57)</b>
Direct Taxes paid (Net of Tax refund)	(1,568.92)	-
<b>Net Cash flow from Operating Activities</b>	<b>5,496.75</b>	<b>(2.57)</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of Property, Plant & Equipment	(4,596.87)	-
Sale of Property, Plant & Equipment	735.18	-
Changes in other bank balances not considered as cash and cash equivalents	42.79	-
Loans repaid (net)	(2,417.24)	-
Interest Received	456.78	-
<b>Net cash flow from / (used in) Investing Activities</b>	<b>(5,779.36)</b>	<b>-</b>
<b>C Cash Flow from Financing Activities</b>		
Proceeds from Issue of Share Capital	-	5.00
Proceeds from short term Borrowings	443.31	-
Interest Paid	(162.47)	-
<b>Net Cash flow used in Financing Activities</b>	<b>280.84</b>	<b>5.00</b>
<b>Net (Decrease) in cash &amp; cash equivalents</b>	<b>(1.77)</b>	<b>2.43</b>
<b>Cash &amp; Cash equivalent at the beginning of the year</b>	<b>2.43</b>	<b>-</b>
<b>Cash &amp; Cash equivalent at the end of the year</b>	<b>0.66</b>	<b>2.43</b>



## Statement of cash flows for the period ended March 31, 2019 (Contd.)

### Reconciliation of cash and cash equivalents

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Cash and cash equivalents :</b>		
Cash on Hand	0.06	-
Balances with Banks	0.60	2.43
<b>Cash and cash equivalents as per Balance Sheet (Refer Note 7 (c))</b>	<b>0.66</b>	<b>2.43</b>
<b>Cash and cash equivalents as per Cash flow Statement</b>	<b>0.66</b>	<b>2.43</b>

See accompanying notes forming part of the financial statements

**Note:**

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

In terms of our report attached  
For, **Sorab S. Engineer & Co.**  
Chartered Accountants  
Firm's Registration No. 110417W  
**CA. Chokshi Shreyas B.**  
Partner  
Membership No. 100892

Place : Ahmedabad  
Date : 20th May, 2019

For and on behalf of the board of directors of  
**The Anup Engineering Limited**

**Sanjay S. Lalbhai**  
Chairman  
DIN: 00008329  
**Rakesh Kumar Poddar**  
Chief Financial Officer

Place : Ahmedabad  
Date : 20th May, 2019

**Punit S. Lalbhai**  
Director  
DIN: 05125502  
**Chintankumar Patel**  
Company Secretary

## Statement of changes in Equity for the year ended March 31, 2019

### A. Equity share capital

(₹ in Lakhs)

Particulars	Balance at the beginning of the reporting year	Changes in Equity Share Capital during the year	Balance at the end of the reporting year
For the year ended March 31, 2018 (Refer Note 40)	-	5.00	5.00
For the year ended March 31, 2019	5.00	1,014.40	1,019.40

### B. Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus				Total other equity
	Capital Reserve	Share based payment reserve	Securities premium	Retained Earnings	
	Note 33				
<b>Balance as at April 1, 2017</b>					
Loss for the year	-	-	-	(1.07)	<b>(1.07)</b>
Other comprehensive income for the year	-	-	-	-	-
<b>Total Comprehensive income for the year</b>	-	-	-	(1.07)	<b>(1.07)</b>
<b>Balance as at March 31, 2018</b>	-	-	-	(1.07)	<b>(1.07)</b>
<b>Balance as at April 1, 2018</b>	-	-	-	(1.07)	<b>(1.07)</b>
Profit for the year	-	-	-	4,198.59	<b>4,198.59</b>
Other comprehensive income for the year	-	-	-	(7.73)	<b>(7.73)</b>
<b>Total Comprehensive income for the year</b>	-	-	-	<b>4,190.86</b>	<b>4,190.86</b>
Add: Issue of Shares under Employee Stock Option Plan	-	18.94	-	-	<b>18.94</b>
Add: Received during the year	-	-	51,724.16	-	<b>51,724.16</b>
Less: Utilized during the year (refer note 40)	-	-	(31,247.05)	-	<b>(31,247.05)</b>
Add: Adjustment due to business combination (refer note 40)	5.00	8.11	-	2,446.94	<b>2,460.05</b>
<b>Balance as at March 31, 2019</b>	<b>5.00</b>	<b>27.05</b>	<b>20,477.11</b>	<b>6,636.73</b>	<b>27,145.89</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

For, **Sorab S. Engineer & Co.**

Chartered Accountants

Firm's Registration No. 110417W

**CA. Chokshi Shreyas B.**

Partner

Membership No. 100892

Place : Ahmedabad

Date : 20th May, 2019

For and on behalf of the board of directors of

**The Anup Engineering Limited****Sanjay S. Lalbhai**

Chairman

DIN: 00008329

**Rakesh Kumar Poddar**

Chief Financial Officer

Place : Ahmedabad

Date : 20th May, 2019

**Punit S. Lalbhai**

Director

DIN: 05125502

**Chintankumar Patel**

Company Secretary

## Notes to the Financial Statements for the year ended March 31, 2019

### 1. Corporate Information

M/s. The Anup Engineering Limited (Formerly known as Anveshan Heavy Engineering Limited) is engaged in manufacturing and fabrication of process equipments required for Chemicals, Petrochemicals, Pharmaceuticals, Fertilizers, Drugs and other allied industries.

The Company is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 2013 ("the Act" erstwhile Companies Act, 1956) applicable in India. Its equity shares are listed on the National Stock Exchange of India Limited and the BSE Limited. The registered office of the Company is located at Odhav, Ahmedabad.

The financial statements have been considered and approved by the Board of Directors at their meeting held on 20th May, 2019.

### 2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost convention on the accrual basis except for the certain financial assets and liabilities measured at fair value, the provisions of the Companies Act, 2013 to the extent notified ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI).

Accounting policies were consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standards requires a change in the accounting policy hitherto in use.

These financial statements comprising of Balance Sheet, Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows as at March 31, 2019 have been prepared in accordance with Indian Accounting Standards ("IndAS") as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

#### Rounding of amounts

The financial statements are presented in Indian Rupee ("INR") and all values are rounded to the nearest Lakhs as per the requirement of Schedule III, except when otherwise indicated.

### 3. Summary of Significant Accounting Policies

#### 3.1. Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### Operating cycle

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

#### 3.2. Use of estimates and judgements

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Difference between actual results and estimates are recognised in the period in which the results are known / materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

#### 3.3. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share - based

## Notes to the Financial Statements

payments arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent to its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is

an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

### Business Combination under Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Ind AS 103. Such transactions are accounted for using the pooling-of-interest method. The assets and liabilities of the acquired entity are recognised at their carrying amounts of the parent entity's consolidated financial statements with the exception of certain income tax and deferred tax assets. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies. The components of equity of the acquired companies are added to the same components within the Company's equity. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to other equity and is presented separately from other capital reserves. The Company's shares issued in consideration for the acquired companies are recognized from the moment the acquired companies are included in these financial statements and the financial statements of the commonly controlled entities would be combined, retrospectively, as if the transaction had occurred at the beginning of the earliest reporting period presented.

### 3.4. Foreign currencies

The Company's functional and presentation currency is Indian Rupee. Transactions in foreign currencies are initially recorded by

## Notes to the Financial Statements

the Company's functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### 3.5. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and for non-recurring measurement, such as asset held for sale.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on yearly basis.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Property, plant and equipment & Intangible assets measured at fair value on the date of transition
- Investment properties
- Financial instruments (including those carried at amortised cost)

### 3.6. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair

## Notes to the Financial Statements

and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The Company adjusts exchange differences arising on translation difference / settlement of long-term foreign currency monetary items outstanding as at March 31, 2019, pertaining to the acquisition of a depreciable asset, to the cost of asset and depreciates the same over the remaining life of the asset.

Borrowing cost relating to acquisition / construction of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

### De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is de-recognised.

### Depreciation

Depreciation on property, plant and equipment is provided so as to write off the cost of assets less residual values over their useful lives of the assets, using the straight line method as prescribed under Part C of Schedule II to the Companies Act 2013.

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.

The management believes that the useful life as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act 2013.

Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### 3.7. Leases

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

#### Company as a lessee

A lease is classified at the inception date as a finance lease or an

operating lease. Finance leases that transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the Statement of Profit and Loss on a straight-line basis over the lease term except the case where incremental lease reflects inflationary effect and lease expense is accounted in such case by actual rent for the period.

#### Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except the case where incremental lease reflects inflationary effect and lease income is accounted in such case by actual rent for the period. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the Statement of Profit and Loss, in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### 3.8. Borrowing cost

Borrowing cost includes interest expense as per Effective Interest Rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where

## Notes to the Financial Statements

surplus funds are available out of money borrowed specifically to finance a project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the company during the year. Capitalisation of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

All other borrowing costs are expensed in the period in which they occur.

### 3.9. Intangible Assets

Intangible Assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:

- for assets acquired in a business combination at fair value on the date of acquisition
- for separately acquired assets, at cost comprising the purchase price and directly attributable costs to prepare the asset for its intended use.

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.

Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the Statement of Profit and Loss in the period in which expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

#### Amortisation

Software is amortized over management estimate of its useful life of 3 years or License Period whichever is lower and Patent/Knowhow is amortized over its useful life of 5 years. Website is amortized over 5 years.

### 3.10. Inventories

Inventories of Raw material, Work-in-progress, Finished goods and Stock-in-trade are valued at the lower of cost and net realisable value. However, Raw material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Raw materials and accessories:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.
- **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

All other inventories of stores, consumables, project material at site are valued at cost. The stock of waste is valued at net realisable value.

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

### 3.11. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a

## Notes to the Financial Statements

period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognised in the Statement of Profit and Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

### 3.12. Revenue Recognition

The Company derives revenues primarily from sale of manufactured goods, traded goods and related services.

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) 'Revenue from contracts with customers' using the full retrospective approach. Accordingly, the comparatives have been adjusted to give the effect of Ind AS 115. The effect on adoption of Ind-AS 115 was insignificant.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

Revenue from time and material and job contracts is recognised as the related services are performed.

Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Group performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

#### **Use of significant judgements in revenue recognition**

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

#### **Export Incentive**

Export incentives under various schemes notified by government



## Notes to the Financial Statements

are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

### Interest Income

Interest income from debt instruments are recorded using the effective interest rate (EIR) and accrued on timely basis. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

### Dividend Income

Dividend income from investments is recognised when the Company's right to receive is established which generally occurs when the shareholders approve the dividend.

### Profit or loss on sale of Investments

Profit or Loss on sale of investments are recorded on transfer of title from the Company, and is determined as the difference between the sale price and carrying value of investment and other incidental expenses.

### Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms except in the case where incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

### Insurance claims

Insurance claims are accounted for to the extent the Company is reasonably certain of their ultimate collection.

### 3.13. Financial instruments – initial recognition and subsequent measurement

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. For recognition and measurement of financial assets and financial liabilities, refer policy as mentioned below:

#### Initial recognition of financial assets and financial liabilities

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in four categories:

- (a) Financial assets at amortised cost
- (b) Financial assets at fair value through other comprehensive income (FVTOCI)

- (c) Financial assets at fair value through profit or loss (FVTPL)
- (d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

#### (a) Financial assets at amortised cost

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.

#### (b) Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

#### (c) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable of financial assets at fair value through profit or loss are immediately recognised profit or loss.

The Company may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

#### (d) Equity instruments

All equity investments in scope of Ind-AS 109 other than Investment in subsidiaries, Joint Ventures and Associates are measured at fair value. Equity instruments which are held for trading, are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other

## Notes to the Financial Statements

comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity Investment in subsidiaries, Joint Ventures and Associates are measured at cost as per Ind AS 27 - Separate Financial Statements.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

### Impairment of financial assets

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses (ECL) are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECL are measured at an amount equal to the 12 months ECL, unless there has been significant increase in credit risk from initial recognition in which case these are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in Statement of Profit and Loss.

### Derecognition of financial assets

Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred and the Company has transferred substantially all of the risks and rewards of ownership.

Concomitantly, if the asset is one that is measured at:

- amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;
- fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

### Reclassification

When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

## Financial liabilities and equity instruments

### Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

### Gains or losses on liabilities held for trading are recognised in the profit or loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit or Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

### Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair values and if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

### Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with

## Notes to the Financial Statements

substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### 3.14. Cash and cash equivalent

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

For the purpose of the cash flows statement, cash and cash equivalents includes cash, short-term deposits, as defined above, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value adjusted for outstanding bank overdrafts as they are considered an integral part of the Company's cash management. Bank Overdrafts are shown within Borrowings in current liabilities in the balance sheet.

### 3.15. Government Grants

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

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

### 3.16. Taxes

Tax expense comprises of current income tax and deferred tax.

#### Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Management periodically evaluates

positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

## Notes to the Financial Statements

taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of profit and loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

### 3.17. Employee Benefits

#### (a) Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

#### (b) Post-Employment Benefits

##### (i) Defined contribution plan

The Company's approved provident fund scheme, superannuation fund scheme, employees' state insurance fund scheme and Employees' pension scheme are defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

##### (ii) Defined benefit plan

The employee's gratuity fund scheme, Compensatory Pension Scheme and post-retirement medical benefit schemes are Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on the net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

#### (c) Other long term employment benefits

The employee's long term compensated absences are Company's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognise the obligation on the net basis.

#### (d) Termination Benefits

Termination benefits such as compensation under voluntary retirement scheme are recognised in the year in which termination benefits become payable.

### 3.18. Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

#### Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting

## Notes to the Financial Statements

condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

### Cash-settled transactions

In case of cash-settled transactions, a liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined with the assistance of an external valuer.

### 3.19. Earnings per share (EPS)

Basic EPS is computed by dividing the net profit / loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is computed by dividing the net profit / loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year adjusted for the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the standalone financial statements by the Board of Directors.

### 3.20. Dividend

The Company recognises a liability (including tax thereon) to make cash or non-cash distributions to equity shareholders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the Statement of Profit and Loss.

### 3.21. Provisions and Contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When the Company expects some or all of a provision to be reimbursed from third parties, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

### 3.22. Non-current assets held for sale/ distribution to owners and discontinued operations

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset;
- An active programme to locate a buyer and complete the plan has been initiated (if applicable);
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value;

## Notes to the Financial Statements

- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification; and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn;

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less cost to sell. A gain is recognised for any subsequent increases in the fair value less cost to sell of an assets but not in excess of the cumulative impairment loss previously recognised, A gain or loss previously not recognised by the date of sale of the non-current assets is recognised on the date of de-recognition.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

A discontinued operation qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

### 3.23. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

### 4. Critical accounting estimates and assumptions

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

#### 4.1. Estimates and assumption

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

#### (a) Useful life of Property, plant and equipment and Intangible Assets

As described in Note 3.6 and 3.9 of the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

#### (b) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

#### (c) Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

The Company has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

#### (d) Defined benefit plans

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

Further details about defined benefit obligations are provided in Note 30.

# Notes to the Financial Statements

## Note 5 : Property, plant and equipment

(₹ in Lakhs)

Particulars	Freehold Land	Leasehold Land	Building	Plant & Machinery	Furniture & Fixture	Vehicles	Office Equipment	Computer, Server & Network	Total
<b>Gross Carrying Amount</b>									
<b>As at April 1, 2017</b>	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	-	-	-	-	-	-
<b>As at April 1, 2018</b>	-	-	-	-	-	-	-	-	-
Additions due to Business Combination (refer note 4O)	5.72	4,917.60	1,663.98	4516.43	84.77	214.60	31.43	36.54	11,471.07
Additions	3,301.95	-	304.02	813.65	5.12	15.89	7.71	1.50	4,449.84
Deductions	-	-	-	803.65	5.80	32.42	-	-	841.87
<b>As at March 31, 2019</b>	<b>3,307.67</b>	<b>4,917.60</b>	<b>1,968.00</b>	<b>4,526.43</b>	<b>84.09</b>	<b>198.07</b>	<b>39.14</b>	<b>38.04</b>	<b>15,079.04</b>
<b>Accumulated Depreciation and Impairment</b>									
<b>As at April 1, 2017</b>	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	-	-	-	-	-	-
<b>As at April 1, 2018</b>	-	-	-	-	-	-	-	-	-
Additions due to Business Combination (refer note 4O)	-	51.67	96.95	271.71	27.13	35.21	13.19	13.45	509.31
Depreciation for the year	-	17.23	46.48	321.97	8.84	26.86	5.40	9.32	436.10
Deductions	-	-	-	83.16	3.63	13.22	1.09	-	101.10
<b>As at March 31, 2019</b>	<b>-</b>	<b>68.90</b>	<b>143.43</b>	<b>510.52</b>	<b>32.34</b>	<b>48.85</b>	<b>17.50</b>	<b>22.77</b>	<b>844.31</b>
<b>Net Carrying Amount</b>									
<b>As at March 31, 2019</b>	<b>3,307.67</b>	<b>4,848.70</b>	<b>1,824.57</b>	<b>4,015.91</b>	<b>51.75</b>	<b>149.22</b>	<b>21.64</b>	<b>15.27</b>	<b>14,234.73</b>
As at April 1, 2018	-	-	-	-	-	-	-	-	-

Note: For Properties pledged as security, refer Note 13(a).

## Notes to the Financial Statements

(₹ in Lakhs)

**Note 6 : Intangible assets**

Particulars	Computer Software	Patent & Technical Knowhow	Licence	Total
<b>Gross Carrying Amount</b>				
<b>As at April 1, 2017</b>	-	-	-	-
Additions	-	-	-	-
Deductions	-	-	-	-
<b>As at April 1, 2018</b>	-	-	-	-
Additions due to Business Combination (refer note 40)	44.20	11.37	3,500.00	3,555.57
Additions	-	-	-	-
Deductions	-	-	-	-
<b>As at March 31, 2019</b>	<b>44.20</b>	<b>11.37</b>	<b>3,500.00</b>	<b>3,555.57</b>
<b>Accumulated Depreciation</b>				
<b>As at April 1, 2017</b>	-	-	-	-
Amortisation for the year	-	-	-	-
Deductions	-	-	-	-
<b>As at April 1, 2018</b>	-	-	-	-
Additions due to Business Combination (refer note 40)	33.70	9.30	87.50	130.50
Amortisation for the year	5.86	1.04	350.00	356.90
Deductions	-	-	-	-
<b>As at March 31, 2019</b>	<b>39.56</b>	<b>10.34</b>	<b>437.50</b>	<b>487.40</b>
<b>Net Carrying Amount</b>				
<b>As at March 31, 2019</b>	<b>4.64</b>	<b>1.03</b>	<b>3,062.50</b>	<b>3,068.17</b>
As at April 1, 2018	-	-	-	-

**Note 7 : Financial assets****7 (a) Trade receivables ~ Current**

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	6,953.28	-
<b>Total Trade receivables</b>	<b>6,953.28</b>	<b>-</b>

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.

Trade Receivables are given as security for borrowings as disclosed under Note - 13(a).

**Allowance for doubtful debts**

Allowance for doubtful debts based on the lifetime expected credit loss model using provision matrix ₹ Nil (Previous year: ₹ Nil)

**7 (b) Loans**

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good unless otherwise stated		
<b>Non-current</b>		
Inter Corporate Deposits	4,436.00	-
<b>Total</b>	<b>4436.00</b>	<b>-</b>

**Note:** Inter Corporate Deposit carries interest rate of 8.80% per annum.



## Notes to the Financial Statements

### 7 (c) Cash and cash equivalent

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	0.06	-
Balance with Banks In Current accounts	0.60	2.43
<b>Total cash and cash equivalents</b>	<b>0.66</b>	<b>2.43</b>

### 7 (d) Other bank balance

Particulars	As at March 31, 2019	As at March 31, 2018
Deposits held as Margin Money*	17.74	-
<b>Total other bank balances</b>	<b>17.74</b>	<b>-</b>

\* Under lien with bank as Security for Guarantee given by the bankers

### 7 (e) Other financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good unless otherwise stated		
<b>Non-current</b>		
Security deposits	67.49	-
<b>Total Non-current Other Financial Asset (A)</b>	<b>67.49</b>	<b>-</b>
<b>Current</b>		
Interest receivable	2.47	-
<b>Total Current Other Financial Asset (B)</b>	<b>2.47</b>	<b>-</b>
<b>Total (A) + (B)</b>	<b>69.96</b>	<b>-</b>

Other current financial assets are given as security for borrowings as disclosed under Note - 13(a).

### Note 8 : Other current assets

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current</b>		
Advance to suppliers	704.45	1.60
Balance with Government Authorities (Refer Note below (i))	775.44	0.10
Export incentive receivable	330.33	-
Pre-paid expense	45.73	-
Total	<b>1,855.95</b>	<b>1.70</b>

(i) Balance with Government Authorities mainly consists of input credit availed.

Other current assets are given as security for borrowings as disclosed under Note - 13(a).

## Notes to the Financial Statements

(₹ in Lakhs)

**Note 9 : Inventories (At lower of cost and net realisable value)**

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials	6,314.86	-
Stores and spares	759.19	-
Work-in-progress	1,770.88	-
Finished goods	1.39	-
<b>Total</b>	<b>8,846.32</b>	<b>-</b>

Inventories are hypothecated as security for borrowings as disclosed under Note - 13(a).

**Note 10 : Tax Paid in Advance (Net of Provision)**

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for taxations (Net of Advance Tax)	64.68	-
<b>Total</b>	<b>64.8</b>	<b>-</b>

**Note 11 : Equity share capital**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	₹ in Lakh	No. of shares	₹ in Lakh
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	6,52,50,000	6,525.00	50,000	5.00
<b>Issued, subscribed and paid-up share capital</b>				
Equity shares of ₹ 10 each	1,01,93,962	1,019.40	50,000	5.00
<b>Total</b>	<b>1,01,93,962</b>	<b>1,019.40</b>	<b>50,000</b>	<b>5.00</b>

**(i) Reconciliation of shares outstanding at the beginning and at the end of the year**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	₹ in Lakh	No. of shares	₹ in Lakh
Outstanding at the beginning of the year	50,000	5.00	-	-
Add: Issued during the year	1,01,93,962	1,019.40	50,000	5.00
Add: Adjustment due to Business	50,000	5.00	-	-
Combination (Refer note 40)				
Outstanding at the end of the year	1,01,93,962	1,019.40	50,000	5.00

**(ii) Rights, Preferences and Restrictions attached to equity shares:**

The Company has one class of shares having par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(iii) Details of shareholder holding more than 5% Shares in the Company:**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Shri Sanjay S. Lalbhai	-	-	49,995	99.99%
Aura Securities Private Limited	35,51,617	34.84%	-	-

## Notes to the Financial Statements

(iv) **Ordinary Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding March 31, 2019:**

Nil

(v) **Shares reserved for issue under options and contracts:**

Refer Note 33 for details of shares to be issued under employee stock option Scheme (ESOS 2018 and ESOS Demerger, 2018).

**Note 12 : Other Equity**

(₹ in Lakhs)

Balance	As at March 31, 2019	As at March 31, 2018
<b>(a) Capital reserve</b>		
<b>Balance as per last financial statements</b>	-	-
Add: Adjustment due to Business Combination (Refer Note 40)	<b>5.00</b>	-
<b>Balance at the end of the year</b>	<b>5.00</b>	-
<b>(b) Securities premium account</b>		
<b>Balance as per last financial statements</b>	-	-
Add: Received during the year	<b>51,724.16</b>	-
Less: Utilized during the year (Refer Note 40)	<b>(31,247.05)</b>	-
<b>Balance at the end of the year</b>	<b>20,477.11</b>	-
<b>(c) Share based payment reserve (Refer Note 33)</b>		
<b>Balance as per last financial statements</b>	-	-
Add: Adjustment due to Business Combination (Refer Note 40)	<b>8.11</b>	-
Add: Addition during the year	<b>18.94</b>	-
<b>Balance at the end of the year</b>	<b>27.05</b>	-
<b>(d) Retained earnings</b>		
<b>Balance as per last financial statements</b>	<b>(1.07)</b>	-
Add: Adjustment due to business combination (Note 40)	<b>2,446.94</b>	-
Add: Profit/(Loss) for the year	<b>4,198.59</b>	(1.07)
Add: Other comprehensive (loss) arising from remeasurement of defined benefit obligation (net of tax)	<b>(7.73)</b>	-
<b>Balance at the end of the year</b>	<b>6,636.73</b>	(1.07)
<b>Total Other equity</b>	<b>27,145.89</b>	(1.07)

The description of the nature and purpose of each reserve within equity is as follows

**a. Capital reserve**

Capital Reserve is created due to amalgamation/Business Combinations.

**b. Securities premium account**

Securities premium reserve is created due to premium on issue of shares. These reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**c. Share based payment reserve**

This reserve relates to share options granted by the Company to its employee share option plan. Further information about share-based payments to employees is set out in Note 33.

## Notes to the Financial Statements

### Note 13 : Financial liabilities

(₹ in Lakhs)

#### 13 (a) Short-term Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(Secured)(at amortised cost)</b>		
Working Capital Loans repayable on demand from Banks	738.19	-
<b>Total short-term borrowings</b>	<b>738.19</b>	<b>-</b>

#### Notes:

#### Nature of security:

#### Cash Credit and Other Facilities from Banks

- (a) Secured by first pari passu charge on all the Company's Current Assets presently relating to the Manufacturing Locations and all the Current Assets acquired by the Company at any time after the execution of and during the continuance of the Indenture of Mortgage. (b) Secured by a second pari passu charge over all the Immovable Properties relating to Textile Plants, Movable Properties presently relating to the Company and all the movable properties acquired by the Company at any time in future after execution of and during the continuance of the Indenture of Mortgage.

#### Rate of Interest

- (i) Working Capital Loans from banks carry interest rates ranging from 9% to 9.30% per annum.

#### 13 (b) Trade payable

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current</b>		
Acceptances	-	-
Other trade payables (Refer note below)	4,861.30	0.20
<b>Total</b>	<b>4,861.30</b>	<b>0.20</b>

#### Note:

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:

- Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;
- Interest paid during the year;
- Amount of payment made to the supplier beyond the appointed day during accounting year;
- Interest due and payable for the period of delay in making payment;
- Interest accrued and unpaid at the end of the accounting year; and
- Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise; have not been given.

The Company is making efforts to get the confirmations from the suppliers as regard to their status under the said Act.

#### 13 (c) Other financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current</b>		
Payable to employees	136.97	-
Deposits from customers and others	4.67	-
<b>Total</b>	<b>141.64</b>	<b>-</b>

## Notes to the Financial Statements

(₹ in Lakhs)

### Note 14 : Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Long-term</b>		
<b>Provision for employee benefits (refer Note 28)</b>		
Provision for leave encashment	74.87	-
<b>Total Long term Provisions (A)</b>	<b>74.87</b>	<b>-</b>
<b>Short-term</b>		
<b>Provision for employee benefits (refer Note 28)</b>		
Provision for leave encashment	35.89	-
Provision for gratuity	5.25	-
<b>Total Long term Provisions (B)</b>	<b>41.14</b>	<b>-</b>
<b>Total (A) + (B)</b>	<b>116.01</b>	<b>-</b>

### Note 15 : Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Advance from customers	4,397.96	-
Statutory dues (provident fund and tax deducted at source etc.)	35.08	-
<b>Total</b>	<b>4,433.04</b>	<b>-</b>

### Note 16 : Revenue from operations

Particulars	Year Ended March 31, 2019	For the Period Ended Sep.14, 2017 to March 31, 2018
Sale of products	20,577.10	-
Trading Income	2,227.75	-
Sale of services	385.45	-
<b>Other Operating income</b>		
Waste sale	203.74	-
Gain/(Loss) on forward contracts	(91.22)	-
Export incentives	646.58	-
Foreign exchange fluctuation on vendors and customers	345.15	-
Others	4.64	-
<b>Total</b>	<b>24,299.19</b>	<b>-</b>

### Disaggregation of Revenue from contracts with customers Revenue based on Geography

Particulars	Year Ended March 31, 2019	For the Period Ended Sep.14, 2017 to March 31, 2018
Domestic	17,300.54	-
Export	6,998.65	-
<b>Revenue from Operations</b>	<b>24,299.19</b>	<b>-</b>

## Notes to the Financial Statements

(₹ in Lakhs)

**Revenue based on business segment**

<b>Particulars</b>	<b>Year Ended March 31, 2019</b>	For the Period Ended Sep.14, 2017 to March 31, 2018
Engineering Products	<b>24,299.19</b>	-
<b>Revenue from Operations</b>	<b>24,299.19</b>	-

**Reconciliation of revenue from operation with contract price**

<b>Particulars</b>	<b>Year Ended March 31, 2019</b>	For the Period Ended Sep.14, 2017 to March 31, 2018
Revenue from contract with customers as per the contract price	<b>24,647.59</b>	-
<b>Adjustment made to contract price on account of:</b>		
Sales Return	<b>348.40</b>	-
<b>Revenue from Operations</b>	<b>24,299.19</b>	-

**Note 17 : Other income**

<b>Particulars</b>	<b>Year Ended March 31, 2019</b>	For the Period Ended Sep.14, 2017 to March 31, 2018
Interest income on financial assets measured at amortized cost		
- Fixed Deposits	<b>22.67</b>	-
- Loans and Advances	<b>434.11</b>	-
Sundry Credit balances written back	<b>0.07</b>	-
Miscellaneous income	<b>1.30</b>	-
<b>Total</b>	<b>458.15</b>	-

**Note 18 : Cost of raw materials and accessories consumed**

<b>Particulars</b>	<b>Year Ended March 31, 2019</b>	For the Period Ended Sep.14, 2017 to March 31, 2018
Inventory at the beginning of the year	-	
Add : Adjustment due to Business Combination (Refer Note 4o)	<b>2,037.68</b>	
Add : Purchases during the year	<b>14,525.18</b>	-
	<b>16,562.86</b>	-
Less : Inventory at the end of the year	<b>6,314.86</b>	-
<b>Total</b>	<b>10,248.00</b>	-

**Note 19 : Purchase of stock-in-trade**

<b>Particulars</b>	<b>Year Ended March 31, 2019</b>	For the Period Ended Sep.14, 2017 to March 31, 2018
Purchase of stock-in-trade	<b>1,863.55</b>	-
<b>Total</b>	<b>1,863.55</b>	-

## Notes to the Financial Statements

(₹ in Lakhs)

### Note 20 : Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year Ended March 31, 2019	For the Period Ended Sep.14, 2017 to March 31, 2018
<b>Inventories at the end of the year</b>		
Finished goods	1.39	-
Work-in-Progress	1,770.88	-
	<u>1,772.27</u>	<u>-</u>
<b>Inventories at the beginning of the year</b>		
Finished goods	-	-
Work-in-Progress	-	-
(Increase)/Decrease in Inventories	<u>(1,772.27)</u>	<u>-</u>
<b>Adjustment due to Business Combination (Refer Note 40)</b>		
Finished goods	1.39	-
Work-in-Progress	1,234.37	-
	<u>1,235.76</u>	<u>-</u>
<b>Total</b>	<u>(536.51)</u>	<u>-</u>

### Note 21 : Employee benefits expense

Particulars	Year Ended March 31, 2019	For the Period Ended Sep.14, 2017 to March 31, 2018
Salaries, Wages, Gratuity, Bonus and Commission (Refer Note 30)	1,386.28	-
Contribution to provident and other funds (Refer Note 30A)	58.47	-
Staff welfare and training expenses	81.83	-
Share based payment to employees (Refer Note 33)	18.94	-
<b>Total</b>	<u>1,545.52</u>	<u>-</u>

### Note 22 : Finance costs

Particulars	Year Ended March 31, 2019	For the Period Ended Sep.14, 2017 to March 31, 2018
Interest expense on Financial Liabilities measured at amortised cost		
- Loans	81.50	-
- Others	63.86	-
Other borrowing cost	34.49	-
<b>Total</b>	<u>179.85</u>	<u>-</u>

### Note 23 : Depreciation and amortization expense

Particulars	Year Ended March 31, 2019	For the Period Ended Sep.14, 2017 to March 31, 2018
Depreciation on Property, Plant and Equipments (Refer Note 5)	436.10	-
Amortization of Intangible assets (Refer Note 6)	356.90	-
<b>Total</b>	<u>793.00</u>	<u>-</u>

## Notes to the Financial Statements

## Note 24 : Other expenses

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	For the Period Ended Sep.14, 2017 to March 31, 2018
Power and fuel	208.65	-
Stores and spares consumed	522.96	-
Jobwork Charges	1,784.06	-
Rent (Refer note 34)	18.24	-
Royalty	438.71	-
Insurance	18.35	-
Printing, stationery and communication	26.47	0.03
Commission, Brokerage and Discount	50.72	-
Rates and taxes	9.64	-
Repairs:		
To Building	62.92	-
To Machineries	115.72	-
To others	9.65	-
Freight, insurance and clearing charge	788.31	-
Inspection Fees	97.65	-
Retainership Fees	42.42	-
Advertisement and publicity	20.94	-
Legal and Professional charges	35.98	0.76
Conveyance and Travelling expenses	50.22	-
Director's sitting fees	2.30	-
Loss on sale of Property, Plant & Equipment	5.59	-
Bad Debts written off	162.54	-
Auditor's remuneration (Refer note (i) below)	13.94	0.20
Bank charges	95.36	-
Miscellaneous expenses	203.62	0.08
<b>Total</b>	<b>4,784.96</b>	<b>1.07</b>

## (i) Break up of Auditor's remuneration

Particulars	Year Ended March 31, 2019	For the Period Ended Sep.14, 2017 to March 31, 2018
<b>Payment to Auditors as</b>		
Auditors	6.72	0.20
For Other Services	6.69	-
For reimbursement of expenses	0.53	-
<b>Total</b>	<b>13.94</b>	<b>0.20</b>

## Note 25 : Income tax

The major component of income tax expense for the years ended March 31, 2019 and March 31, 2018 are :

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Statement of Profit and Loss</b>		
Current income tax	1,492.00	-
Deferred tax expense/(credit)	188.38	-
<b>Income tax expense in the Statement of Profit and Loss</b>	<b>1,680.38</b>	<b>-</b>
<b>Statement of Other comprehensive income (OCI)</b>		
Deferred tax expense/(credit)	(3.18)	-
<b>Income tax expense/(credit) recognised in OCI</b>	<b>(3.18)</b>	<b>-</b>

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2019 and March 31, 2018.



## Notes to the Financial Statements

(₹ in Lakhs)

### A. Current tax

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Accounting profit before tax</b>	<b>5,878.97</b>	(1.07)
Tax Rate	<b>29.12%</b>	29.12%
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	<b>1,711.96</b>	-
<b>Adjustment</b>		
Other adjustments	<b>(31.58)</b>	-
<b>Total income tax expense</b>	<b>1,680.38</b>	-
Effective tax rate	<b>28.58%</b>	-

### B. Deferred tax

The Company has accrued significant amounts of deferred tax. The majority of the deferred tax liability represents accelerated tax relief for the depreciation of property, plant and equipment and unused tax credit in the form of MAT credits carried forward. Significant components of Deferred tax (assets) & liabilities recognized in the financial statements of the Company as follows:

Particulars	Balance Sheet as at		Statement of Profit and Loss and OCI for the year ended		
	March 31, 2019	Adjustment due to Business Combination (Refer Note 40)	March 31, 2018	March 31, 2019	March 31, 2018
Accelerated depreciation for tax purposes	(581.12)	(351.92)	-	229.20	-
Impact of fair valuation of Land	(412.72)	(433.66)	-	(20.94)	-
Others	(308.82)	(312.00)	-	(3.18)	-
Expenditure allowable on payment basis	33.16	22.10	-	(11.06)	-
Expenditure allowable over the period (Section 35D)	8.81	-	-	(8.81)	-
<b>Deferred tax expense/(income)</b>				<b>185.21</b>	-
<b>Net deferred tax liabilities</b>	<b>(1,260.69)</b>	<b>(1,075.48)</b>	-		
<b>Reflected in the balance sheet as follows</b>					
Deferred tax liabilities	(1,302.66)	-	-		
Deferred tax assets	41.97	-	-		
<b>Deferred tax liabilities (net)</b>	<b>(1,260.69)</b>	-	-		

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

### Note 26 : Contingent liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Contingent liabilities not provided for</b>		
Guarantees given by banks on behalf of the Company	<b>12,904.83</b>	-

### Note 27 : Capital commitment and other commitments

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(a) Capital commitments</b>	-	-
<b>(b) Other commitments</b>	-	-

## Notes to the Financial Statements

### Note 28 : Foreign Exchange Derivatives and Exposures not hedged

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

All derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation.

The fair values of all derivatives are separately recorded in the balance sheet within current and non-current assets and liabilities depending upon the maturity of the derivatives.

The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

The details of derivative contracts outstanding as at reporting date are as follows:

#### Exposure Not Hedged

Nature of exposure	Currency	As at March 31, 2019		As at March 31, 2018	
		FC	₹ in Lakhs	FC	₹ in Lakhs
Receivables	USD	18,79,229	1,320.47	-	-
Payable to creditors	USD	16,31,763	1,151.01	-	-
	EURO	44,227	34.35	-	-

### Note 29 : Segment Reporting

#### Identification of Segments

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the company.

#### Operating Segments

The Company's business activity falls within a single operating business segment of Engineering products.

#### Geographical segment

Geographical segment is considered based on sales within India and rest of the world.

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Segment Revenue*</b>		
(a) In India	17,300.54	-
(b) Rest of the world	6,998.65	-
<b>Total</b>	<b>24,299.19</b>	-
<b>Carrying Cost of Segment Non Current Assets@</b>		
(a) In India	17,471.57	-
(b) Rest of the world	-	-
<b>Total</b>	<b>17,471.57</b>	-

\*Based on location of Customers

@ Other than financial assets.

#### Information about major customers:

Considering the nature of business of company in which it operates, the company deals with various customers including multiple geographics. No single customer has accounted for more than 10% of the company's revenue for the years ended March 31, 2019 and March 31, 2018.

## Notes to the Financial Statements

### Note 30 : Disclosure pursuant to Employee benefits

#### A. Defined contribution plans:

Amount of ₹ 27.31 Lakhs (March 31, 2018: ₹ Nil) is recognised as expenses and included in Note No. 21 "Employee benefit expense".

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(i) Contribution to Provident Fund and Pension [Note (a & b)]	26.71	-
(ii) Contribution to Superannuation Fund [Note (c)]	0.60	-
<b>Total</b>	<b>27.31</b>	-

- Note (a)** The Company's Provident Fund is contributed to the Regional Provident Fund Officer and are charged to the Statement of Profit and Loss as and when it is incurred. The Company is liable for the contribution and any shortfall in interest rates between the amount of interest realised by the investments and the interest payable to the members at the rates declared by the Government of India.
- (b) Certain employees of the company are eligible for contribution to Pension Fund. The Company has no further obligation to the plan beyond its contribution which are periodically contributed to the government agencies.
- (c) The Company's Superannuation Fund is administered by Regional Officer. The Company has no further obligations to the plan beyond its contribution.

#### B. Defined benefit plans:

The Company has following post employment benefit plans which are in the nature of defined benefit plans:

##### (a) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Gratuity plan is a Funded plan administered by a Trust and the Company makes contributions to recognised Trust in India.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the The Anup Engineering Limited Employees' Gratuity Fund Trust (the Trust). Trustees administer contributions made to the Trusts and contributions are invested in a scheme as permitted by Indian law.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations recognized in other comprehensive income.

## Notes to the Financial Statements

(₹ in Lakhs)

Changes in defined benefit obligation and plan assets as at March 31, 2019:

Particulars	As at April 1, 2018 (Adjustment to Business Combination (Refer Note 40))		Charged to statement of profit and loss		Benefit paid plan assets (excluding amounts included in net interest expense)	Remeasurement gains/(losses) in other comprehensive income			As at March 31, 2019
	As at April 1, 2018	Adjustment	Service cost	Net interest expense		Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from experience adjustments	
<b>Gratuity</b>									
Defined benefit obligation	62.35		15.92	4.86	20.78	(21.03)	0.14	9.93	10.07
Fair value of plan assets	(64.63)		-	(5.03)	(5.03)	1.90	-	0.84	0.84
<b>Net Benefit liability/(asset)</b>	<b>(2.28)</b>		<b>15.92</b>	<b>(0.17)</b>	<b>15.75</b>	<b>(19.13)</b>	<b>0.14</b>	<b>10.77</b>	<b>10.91</b>
<b>Total benefit liability/(asset)</b>	<b>(2.28)</b>		<b>15.92</b>	<b>(0.17)</b>	<b>15.75</b>	<b>(19.13)</b>	<b>0.14</b>	<b>10.77</b>	<b>10.91</b>
									<b>5.25</b>
									<b>5.25</b>

Changes in defined benefit obligation and plan assets as at March 31, 2018:

Particulars	As at April 1, 2017		Charged to statement of profit and loss		Benefit paid plan assets (excluding amounts included in net interest expense)	Remeasurement gains/(losses) in other comprehensive income			As at March 31, 2018
	As at April 1, 2017	Adjustment	Service cost	Net interest expense		Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from experience adjustments	
<b>Gratuity</b>									
Defined benefit obligation	-		-	-	-	-	-	-	-
Fair value of plan assets	-		-	-	-	-	-	-	-
<b>Net Benefit liability/(asset)</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total benefit liability/(asset)</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	As at March 31, 2019		As at March 31, 2018	
	(%) of total plan assets	(%) of total plan assets	(%) of total plan assets	(%) of total plan assets
Insurance fund	100.00%	100.00%	0.00%	0.00%
<b>(%) of total plan assets</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>0.00%</b>

## Notes to the Financial Statements

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate	7.76%	0.00%
Future salary increase	8.00%	0.00%
Expected rate of return on plan assets	7.76%	0.00%
Attrition rate	5.00%	0.00%
Mortality rate during employment	<b>Indian Assured lives Mortality (2006-08)</b>	-
Mortality rate after employment	NA	-

A quantitative sensitivity analysis for significant assumption is as shown below for the defined benefit plan:

(₹ in Lakhs)

Particulars	Sensitivity level	(increase) / decrease in defined benefit obligation (Impact)	
		Year ended March 31, 2019	Year ended March 31, 2018
<b>Gratuity</b>			
Discount rate	1% increase	(6.68)	-
	1% decrease	7.84	-
Salary increase	1% increase	7.03	-
	1% decrease	(6.06)	-
Attrition rate	1% increase	(0.16)	-
	1% decrease	0.17	-

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

The followings are the expected future benefit payments for the defined benefit plan :

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Gratuity		
Within the next 12 months	4.57	-
Between 2 to 5 years	15.81	-
Beyond 5 years	171.34	-
<b>Total expected payments</b>	<b>191.72</b>	<b>-</b>

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	As at March 31, 2019 In Years	As at March 31, 2018 In Years
Gratuity	15	-

The Company does not have any contributions expected towards planned assets for the next year.

## Notes to the Financial Statements

### C. Other Long term employee benefit plans:

#### Leave encashment

The Company has a policy on leave encashment which are both accumulating and non-accumulating in nature. The expected cost of accumulating leave encashment is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

The Company has recognised ₹ 21.45 Lakhs (March 31, 2018: ₹ Nil Lakhs) as expenses and included in Note No. 21 Employee benefit expense.

### Note 31 : Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures

#### A Name of Related Parties and Nature of Relationship :

##### (i) Key Management Personnel

1	Mr. Sanjay S. Lalbhai, Chairman and Non-Executive Director	
2	Mr. Punit S. Lalbhai, Non-Executive Director	
3	Mr. Samvegbhai Lalbhai, Non-Executive Director	With effect from 01.11.2018
4	Mr. Arpit Patel, Independent Director	With effect from 01.11.2018
5	Ms. Reena Bhagwati, Independent Director	With effect from 01.11.2018
6	Mr. Ganpatraj Chowdhary, Independent Director	With effect from 01.11.2018
7	Mr. Rishi Roop Kapoor, Chief Executive Officer	With effect from 03.12.2018
8	Mr. Rakesh Kumar Poddar, Chief Financial Officer	With effect from 03.12.2018
9	Mr. Chintankumar Patel, Company Secretary	With effect from 03.12.2018

##### (ii) Enterprise over which Key Management Personnel are able to exercise significant influence

1.	Arvind Limited
2.	Arvind Envisol Limited

#### B Disclosure in respect of Related Party Transactions :

(₹ in Lakhs)

Particulars	Key Management Personnel		Total	
	Year Ended / As at		Year Ended / As at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Transactions during the year</b>				
Remuneration	77.27	-	77.27	-
Sitting Fees paid	1.40	-	1.40	-
Services rendered	39.87	-	39.87	-
Interest Income	434.11	-	434.11	-
Repayment of Loan	90.77	-	90.77	-

#### C Balances with related parties are as follows:

(₹ in Lakhs)

Particulars	March 31, 2019		March 31, 2018	
	Key Management Personnel	Enterprise over which Key Management Personnel are able to exercise significant influence	Key Management Personnel	Enterprise over which Key Management Personnel are able to exercise significant influence
Receivable in respect of Loans	-	4,436.00	-	-
Trade and Other Payable	-	48.83	-	-

## Notes to the Financial Statements

### Note 32 : Earning per share

Particulars		Year Ended	Year Ended
		March 31, 2019	March 31, 2018
Profit/(Loss) attributable to ordinary equity holders	₹ in Lakhs	4,198.59	(1.07)
Weighted average number of equity shares for basic EPS (a)	No.	1,01,93,962	27,100
Effect of potential Ordinary shares on Employee Stock Options outstanding (b)	No.	83,240	-
<b>Weighted average number of Ordinary shares in computing diluted earnings per share (a) + (b)</b>	No.	<b>1,02,77,202</b>	27,100
Nominal value of equity shares	₹	10	10
Basic earning per share	₹	41.19	(3.95)
Diluted earning per share	₹	40.85	(3.95)

### Note 33 : Share based payments

- A.** Anup has instituted Employee Stock Option Scheme 2017 (ESOP 2017), pursuant to the approval of the shareholders of the company at their extra ordinary general meeting held on September 29, 2017. Under ESOP 2017, Anup has granted options convertible into equal number of equity shares of the face value of ₹10 each. The said ESOP 2017 scheme will be modified and under the new scheme, the employees will be issued 7 stock options by the Company under the new scheme for every 10 stock options held in ESOP 2017 scheme of Anup.

Scheme	ESOS 2018	ESOS DEMERGER 2018
Date of grant	12-May-18	12-May-18
Expiry Date	5 years from the date of grant	5 years from the date of grant
Number of options granted	3,50,000	3,53,667
Exercise price per option	₹151.43	₹244.02 to ₹385.29
Fair Value of option on Grant date	₹.517.40	₹548.85
Vesting period	Mar-21	25,038 options vesting on 30th April 2019
Vesting requirements	Performance based vesting	Time based vesting
Exercise period	5 years from the date of vesting	5 years from the date of vesting for 33,333 options and; 3 years from the date of vesting for 25,038 options
Method of settlement	Equity	Equity

### B. Movement in Stock Options during the year

The following reconciles the share option outstanding at the beginning and at the end of the year :

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019				Year Ended March 31, 2018	
	ESOS 2018		ESOS DEMERGER 2018		No. of Options	Weighted Average Exercise Price
	No. of Options	Weighted Average Exercise Price	No. of Options	Weighted Average Exercise Price		
Outstanding at the beginning of the year	-	-	-	-	-	-
Granted during the year	87,500	151.43	58,371	324.69	-	-
Exercised during the year	-	-	-	-	-	-
Outstanding at the end of the year	87,500	151.43	58,371	324.69	-	-

### C. Share Options Exercised during the year

Option Series	No. of Options	Exercise Date	Weighted Average Share Price at Exercise Date
ESOS 2018	-	-	-
ESOS DEMERGER 2018	-	-	-

**D. Share Options Outstanding at the end of the year**

The share options outstanding at the end of the year had a weighted average exercise price of ₹151.43 and ₹244.02 - ₹385.29 (as at March 31, 2018: ₹Nil), and a weighted average remaining contractual life of 7 Years and 3.26 years (as at March 31, 2018: Nil)

**E. Expense arising from share-based payment transactions**

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Share Based Payment to Employees	18.94	-

**Note 34 : Lease Rent****Where company as a lessee in case of Operating Lease**

The Company has various cancellable operating leases for Plant and Machineries. The Company has not given any property on sub-lease which is taken under operating lease contracts. Future minimum lease payments in respect of which are as follows:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Total Future Minimum lease rental payments on non-cancellable operating leases:</b>		
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	-	-
Lease payment recognised in Statement of Profit and Loss	18.24	-

**Note 35: Financial Instruments by category****(i) Financial assets by category**

Particulars	As at March 31, 2019					As at March 31, 2018				
	Cost	Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVTOCI)	Amortised cost	Total	Cost	Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVTOCI)	Amortised cost	Total
Trade receivables	-	-	-	6,953.28	6,953.28	-	-	-	-	-
Loans	-	-	-	4,436.00	4,436.00	-	-	-	-	-
Cash and cash equivalents	-	-	-	0.66	0.66	-	-	-	2.43	2.43
Other bank balances	-	-	-	17.74	17.74	-	-	-	-	-
Other financial assets	-	-	-	69.96	69.96	-	-	-	-	-
<b>Total Financial assets</b>	-	-	-	11,477.64	11,477.64	-	-	-	2.43	2.43

**(ii) Financial liabilities by category**

Particulars	As at March 31, 2019			As at March 31, 2018		
	Fair value through Profit and Loss (FVTPL)	Amortised cost	Total	Fair value through Profit and Loss (FVTPL)	Amortised cost	Total
Borrowings	-	738.19	738.19	-	-	-
Trade payable	-	4,861.30	4,861.30	-	0.20	0.20
Other Financial Liabilities	-	141.64	141.64	-	-	-
<b>Total Financial liabilities</b>	-	5,741.13	5,741.13	-	0.20	0.20

For Financial instruments risk management objectives and policies, refer Note 37.



## Notes to the Financial Statements

### Note 36: Fair value disclosures for financial assets and financial liabilities

- (a) Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(₹ in Lakhs)

Particulars	Carrying amount		Fair value	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>Financial liabilities</b>				
<b>Amortised Cost</b>				
Borrowings	738.19	-	738.19	-
<b>Total</b>	<b>738.19</b>	<b>-</b>	<b>738.19</b>	<b>-</b>

The management assessed that the fair values of cash and cash equivalents, other bank balances, loans, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

The fair value of borrowings is calculated by discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities.

For financial assets and financial liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

### (b) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

#### Quantitative disclosures fair value measurement hierarchy for financial liabilities as at March 31, 2019 and March 31, 2018

Particulars	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>As at March 31, 2019</b>				
<b>Liabilities disclosed at fair value</b>				
Borrowings	738.19	-	738.19	-

### Fair value hierarchy

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing prices as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfer between level 1, 2 and 3 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

## Notes to the Financial Statements

### Note 37: Financial instruments risk management objectives and policies

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's risk management is carried out by a Treasury department under policies approved by the Board of directors. The Company's treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides written principles for overall risk.

#### (a) Market risk

Market risk refers to the possibility that changes in the market rates may have impact on the Company's profits or the value of its holding of financial instruments. The Company is exposed to market risks on account of foreign exchange rates, interest rates, underlying equity prices, liquidity and other market changes.

Future specific market movements cannot be normally predicted with reasonable accuracy.

#### (a1) Interest rate risk

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company is exposed to interest rate risk of short-term and long-term floating rate instruments and on the refinancing of fixed rate debt. The Company's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates. The borrowings of the Company are principally denominated in Indian Rupees with mix of fixed and floating rates of interest. These exposures are reviewed by appropriate levels of management at regular interval.

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings as follows:

(₹ in Lakhs)

Particulars	Effect on profit before tax March 31, 2019	Effect on profit before tax March 31, 2018
Increase in 50 basis points	3.69	-
Decrease in 50 basis points	(3.69)	-

#### (a2) Foreign currency risk

The Company's foreign currency risk arises from its foreign operations and foreign currency transactions. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company. The major foreign currency exposures for the Company are denominated in USD and EURO.

Since a significant part of the Company's revenue is in foreign currency and major part of the costs are in Indian Rupees, any movement in currency rates would have impact on the Company's performance. Exposures on foreign currency sales are managed through the Company's hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Company strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged. Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance. The Company may use forward contracts, foreign exchange options or currency swaps towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities varying depending upon the primary host contract requirements and risk management strategy of the company. Hedge effectiveness is assessed on a regular basis."

## Notes to the Financial Statements

### Foreign currency sensitivity

The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure in USD and EURO with a simultaneous parallel foreign exchange rates shift in the currencies by 2% against the functional currency of the respective entities. The company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in Currency rate	(₹ in Lakhs)	
		Effect on profit before tax in USD rate	Effect on profit before tax in EURO rate
March 31, 2019	+2%	3.39	(0.71)
	-2%	(3.39)	0.71
March 31, 2018	+2%	-	-
	-2%	-	-

The movement in the pre-tax effect is a result of a change in the fair value of financial instruments not designated in a hedge relationship. Although the financial instruments have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

### (b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk materially consists of trade receivables, investments and derivative financial instruments.

The Company is exposed to credit risk from its operating activities (primarily trade receivables and also from its investing activities including deposits with banks, forex transactions and other financial instruments) for receivables, cash and cash equivalents, financial guarantees and derivative financial instruments.

All trade receivables are subject to credit risk exposure. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through established policies, controls relating to credit approvals and procedures for continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non-performance by any of the Company's counterparties. The Company does not have significant concentration of credit risk related to trade receivables. No single third party customer contributes to more than 10% of outstanding accounts receivable (excluding outstanding from subsidiaries) as of March 31, 2019 and March 31, 2018.

Trade receivables are non-interest bearing and are generally on 30 days to 180 days credit term.

With respect to derivatives, the Company's forex management policy lays down guidelines with respect to exposure per counter party i.e. with banks with high credit rating, processes in terms of control and continuous monitoring. The fair value of the derivatives are credit adjusted at the period end.

### (c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity. The Company closely monitors its liquidity position and deploys a robust cash management system.

The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects

## Notes to the Financial Statements

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(₹ in Lakhs)

Particulars	< 1 year	>1 year but < 5 years	more than 5 years	Total
<b>Year ended March 31, 2019</b>				
Interest bearing borrowings*	738.19	-	-	738.19
Trade payables	4,778.71	82.59	-	4,861.30
Other financial liabilities	141.64	-	-	141.64
	<b>5,658.54</b>	<b>82.59</b>	<b>-</b>	<b>5,741.13</b>
<b>Year ended March 31, 2018</b>				
Interest bearing borrowings*				-
Trade payables	0.20	-	-	0.20
Other financial liabilities				-
	<b>0.20</b>	<b>-</b>	<b>-</b>	<b>0.20</b>

\*Includes contractual interest payment based on interest rate prevailing at the end of the reporting period over the tenor of the borrowings.

### Note 38: Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements to optimise return to our shareholders through continuing growth. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance). The Company is not subject to any externally imposed capital requirements.

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Interest bearing loans and borrowings (Note 13)	<b>738.19</b>	-
(b) Less: cash and bank balance (including other bank balance)	<b>18.40</b>	2.43
(c) Net debt (a) - (b)	<b>719.79</b>	2.43
(d) Equity share capital (Note 11)	<b>1,019.40</b>	5.00
(e) Other equity (Note 12)	<b>27,145.89</b>	(1.07)
(f) Total capital (d) + (e)	<b>28,165.29</b>	3.93
(g) Total capital and net debt (c) + (f)	<b>28,885.08</b>	6.36
(h) Gearing ratio (c)/(g)	<b>2.49%</b>	38.21%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any long term borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the current period.

## Notes to the Financial Statements

### Note 39: Standards issued but not yet effective

#### Ind AS 116 - Leases

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under the Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities. The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might not have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

### Note 40: Business Combination

(I) Pursuant to the Composite Scheme of Arrangement (the Scheme) sanctioned by National Company Law Tribunal vide its order dated October 26, 2018 between Arvind Limited ("AL"), Arvind Fashions Limited ("AFL"), Anveshan Heavy Engineering Limited ("the Company") and The Anup Engineering Limited ("Anup"), Engineering Undertaking has been demerged from AL and Anup has been amalgamated to the Company w.e.f January 1, 2018 (the appointed date). The Scheme came into effect on November 30, 2018, the day on which the order was delivered to the Registrar of the Companies. Respective business, assets and liabilities, income and expense from the Engineering Undertaking and Anup have been transferred to the Company included w.e.f. January 1, 2018. The comparative financial statements of the Company for the year ended March 31, 2018 is approved by shareholders in its annual general meeting held on September 29, 2018. Subsequently, to give the effect of the scheme on account of amalgamation of the Anup and merger of Engineering Undertaking of AL with the Company in accordance with Ind AS 103, comparative Ind AS financial statements of the Company for the year ended March 31, 2018 were restated. The date of convergence to Ind AS financial statement for the Company is April 1, 2018 and comparative financial statement of the company have been restated accordingly.

#### (II) Summary of acquisition during the year ended March 31, 2018

##### (a) Amalgamation of The Anup Engineering Limited with the Company

The Anup Engineering Limited (hereinafter referred as "Anup") has been amalgamated with the Company w.e.f January 1, 2018 by the order of National Company Law Tribunal dated October 26, 2018 at a consideration of ₹ 3,184.87 Lakhs.

Anup is engaged, inter alia, in the business of manufacturing, fabricating, altering, marketing, buying, selling, dealing in all kinds of centrifuges, water softening plants, pumps, dryers and other plants and apparatus.

On amalgamation, the Company has measured the all identifiable assets and liabilities acquired through Business Combination in accordance with Ind AS 103. The Company has not incurred any transaction cost for acquiring control.

##### (b) Business Purchase of Engineering Undertaking of Arvind Limited

The Company has acquired the business of Engineering Undertaking of Arvind Limited (hereinafter referred as Engineering Div.) w.e.f January 1, 2018 pursuant to the order of National Company Law Tribunal dated October 26, 2018 at a consideration of ₹ 49,558.69 Lakhs.

On purchase of business, the Company has measured the all identifiable assets and liabilities acquired through Business Combination in accordance with Ind AS 103. The Company has not incurred any transaction cost for acquiring control.

##### (c) As consideration, the Company has to issue Equity shares of ₹ 10/- each full paid up in the ratio of:

- a. 1 (One) Equity Share of ₹ 10/- each for every 27 (Twenty Seven) Equity Shares of ₹ 10/- each of Engineering Div of AL, to the shareholders of AL.
- b. 7 (Seven) Equity Share of ₹ 10/- each for every 10 (Ten) Equity Share of ₹ 10/- each of Anup, to the shareholders of Anup.

Engineering Div. is engaged in the business of manufacturing of critical process engineering equipment.

## Notes to the Financial Statements

### (d) Net Identifiable Assets acquired on acquisition date

The assets and liabilities recognised as a result of the acquisition are as follows:

(₹ in Lakhs)			
Particulars	Anup	Engineering Div.	Total
Acquisition Date	January 1, 2018	January 1, 2018	
<b>ASSETS</b>			
Property, plant and equipment	7,575.92	911.79	<b>8,487.71</b>
Intangible assets	25.33	3,500.00	<b>3,525.33</b>
Inventories	3,312.06	1,854.39	<b>5,166.45</b>
Trade receivables	6,387.76	114.47	<b>6,502.23</b>
Loans	4,456.35	-	<b>4,456.35</b>
Cash and bank balances	55.27	0.60	<b>55.87</b>
Others financial assets (current and non-current)	23.25	656.37	<b>679.62</b>
Current tax assets (net)	73.55	(7.01)	<b>66.54</b>
Other assets (current and non-current)	1,936.14	516.50	<b>2,452.64</b>
<b>Total Assets acquired (A)</b>	<b>23,845.63</b>	<b>7,547.11</b>	<b>31,392.74</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	184.05	3,178.00	<b>3,362.05</b>
Trade payables	2,896.64	881.60	<b>3,778.24</b>
Other financial liabilities (current and non-current)	29.03	8.97	<b>38.00</b>
Provisions (current and non-current)	89.57	0.46	<b>90.03</b>
Deferred tax liabilities (net)	1,068.48	7.00	<b>1,075.48</b>
Other current liabilities	895.21	0.85	<b>896.06</b>
<b>Total Liabilities assumed (B)</b>	<b>5,162.98</b>	<b>4,076.88</b>	<b>9,239.86</b>
<b>Net assets acquired (A) - (B)</b>	<b>18,682.65</b>	<b>3,470.23</b>	<b>22,152.88</b>

### (e) Calculation of Goodwill / Capital Reserve

(₹ in Lakhs)			
Particulars	Anup	Engineering Div.	Total
Purchase consideration paid in cash	3,184.87	49,558.69	<b>52,743.56</b>
Controlling Interest in the amalgamated entity	-	656.37	<b>656.37</b>
Less: Net identifiable assets acquired as stated above	(18,682.65)	(3,470.23)	<b>(22,152.88)</b>
<b>Total Goodwill / (Capital Reserve) on acquisition of controlling interest adjusted against Securities Premium</b>	<b>(15,497.78)</b>	<b>46,744.83</b>	<b>31,247.05</b>

## Notes to the Financial Statements

### **Note 41: First-time adoption**

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 01, 2018, with a transition date of September 14, 2017 i.e., the incorporation date of the Company. These financial results for the year ended March 31, 2019 are prepared by the Company under Ind AS for the first time.

In preparing its comparative Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the Accounting Standards notified under the Companies Act (Accounting Standards) Rules, 2016 (As amended and other relevant provisions of the Act). However, there is no impact on Equity and Total Comprehensive Income for the year ended March 31, 2018.

### **Note 42: Events occurring after the reporting period**

The Board of Directors recommended dividend of ₹ 7/- per equity share (March 31, 2018: ₹ Nil) of face value of ₹ 10 each, which is subject to approval by shareholders of the Company.

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## THE ANUP ENGINEERING LIMITED

ATTENDANCE SLIP

(Formerly known as Anveshan Heavy Engineering Limited)

CIN: L29306GJ2017PLC099085

Registered Office: Behind 66 KV Elec. Sub-Station, Odhav Road, Ahmedabad-382415, Gujarat, India.

Phone: +91 79 22872823 Fax: +91 79 22870642 Email: investorconnect@anupengg.com Website: www.anupengg.com

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

Joint shareholders may obtain additional Slip at the venue of the meeting

DP Id*	
--------	--

Folio No.	
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Client Id*	
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No. of Shares	
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Name & address of the shareholder /proxy \_\_\_\_\_

I hereby record my presence at the 2nd Annual General Meeting of the Company held on Wednesday, the 7th August, 2019 at 09:30 a.m. at J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram sarabhai Marg, Ahmedabad - 380015

\*Applicable for shareholding in electronic form.

\_\_\_\_\_  
Signature of Shareholder /Proxy



## THE ANUP ENGINEERING LIMITED

PROXY FORM

(Formerly known as Anveshan Heavy Engineering Limited)

CIN: L29306GJ2017PLC099085

Registered Office: Behind 66 KV Elec. Sub-Station, Odhav Road, Ahmedabad-382415, Gujarat, India.

Phone: +91 79 22872823 Fax: +91 79 22870642 Email: investorconnect@anupengg.com Website: www.anupengg.com

### Form No. MGT-11

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

Name of the member(s):

Registered address:

E-mail Id:

Folio No./DPID/Client ID:

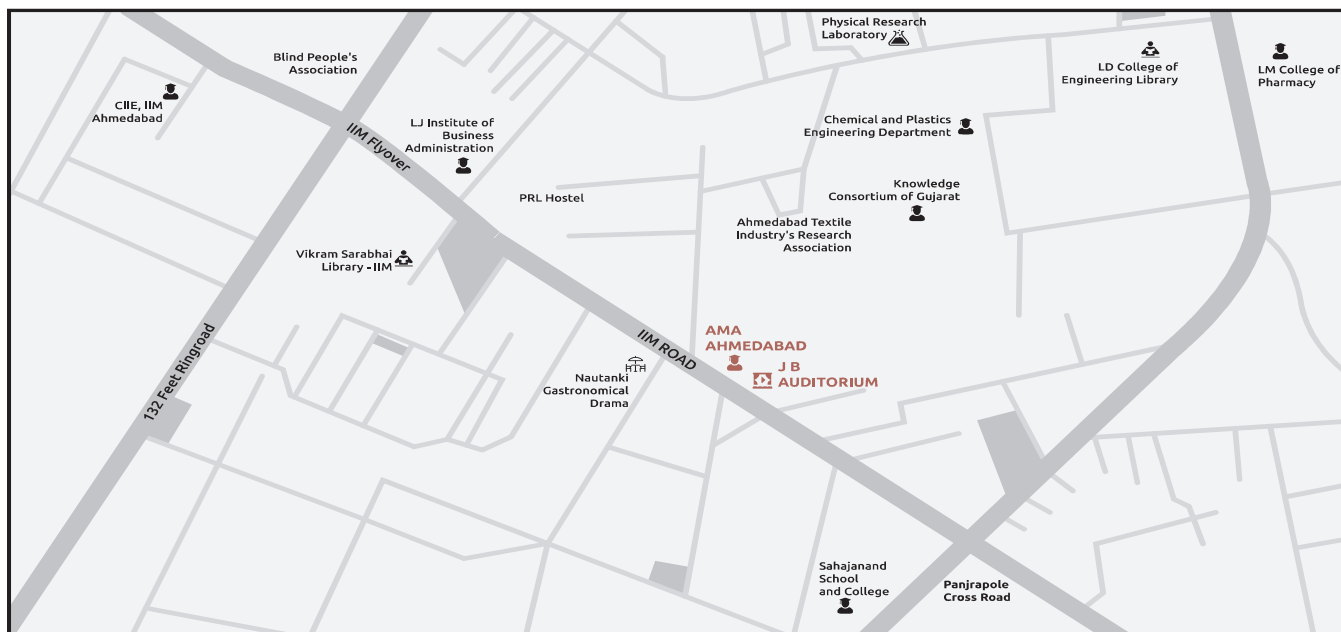
I/We, being the member (s) of above named Company, hold \_\_\_\_\_ shares hereby appoint

- Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
- Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
- Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 2nd Annual General Meeting of the Company, to be held on Wednesday, the 7th August, 2019 at 09:30 a.m. at J. B. Auditorium, Ahmedabad Management Association, ATIRA Camps, Dr. Vikram Sarabhai Marg, Ahmedabad - 380015 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	RESOLUTIONS	Optional *	
		For	Against
<b>Ordinary Business</b>			
1	Ordinary Resolution for adoption of the audited financial statements of the Company for the Financial Year ended 31st March, 2019 and the reports of the Directors and Auditors thereon.		
2	Ordinary Resolution for declaration of dividend on equity shares.		
3	Ordinary Resolution for re-appointment of Mr. Sanjay S. Lalbhai as Director of the Company, liable to retire by rotation.		

**Route Map for the venue of the meeting, J. B. Auditorium  
Ahmedabad Management Association (AMA), Ahmedabad**



Resolution No.	RESOLUTIONS	Optional*	
		For	Against
<b>Special Business</b>			
4	Ordinary Resolution for Ratification of the remuneration of M/s. Maulin Shah & Associates, Cost Accountants for the Financial Year ending 31st March, 2020.		
5	Ordinary Resolution for Appointment of Mr. Samvegbhai Lalbhai as Non-Executive Director of the Company.		
6	Ordinary Resolution for Appointment of Mr. Arpit Patel as an Independent Director of the Company.		
7	Ordinary Resolution for Appointment of Mr. Ganpatraj Chowdhary as an Independent Director of the Company.		
8	Ordinary Resolution for Appointment of Ms. Reena Bhagwati as an Independent Director of the Company.		
9	Ordinary Resolution to consider payment of Commission to Non-Executive Directors and Independent Directors of the Company.		
10	Special Resolution to approve Employee Stock Option Scheme 2019 to the eligible employees of the Company.		
11	Special Resolution to approve Employee Stock Option Scheme 2019 to the eligible employees of the Holding Company and Subsidiary Companies of the Company.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019

Signature of Shareholder \_\_\_\_\_

Signature of Proxyholder(s) \_\_\_\_\_

Affix Revenue Stamp
---------------------------

**Notes:**

- 1 This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2 For the Resolution, Explanatory Statement and Notes, please refer to Notice of Annual General Meeting.
- 3 \*It is Optional to put a '✓' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 4 Please complete all details including details of member(s) in above box before submission.

# The Anup Advantages

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## The Anup Engineering Limited

India's Leading Heat Exchanger Manufacturer

### Expertise

- Full range of Engineering services : Thermal, Mechanical, FEA, CFD, 3 D Modelling
- Technology Products such as Helixchanger

### Efficient

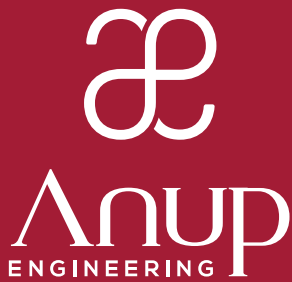
- Unparalleled Delivery Record
- Versatile and Flexible : Offer equipment from 20 MT to 400 MT weight
- Managing Large Project concurrently

### Excellence

- More than 55 years of experience in fabrication of different type of HE
- With Wide Range of metallurgies

### Experience

- Supplied Equipment in more than 20 Countries across 5 continents
- In Compliance with Global Construction codes



If Undelivered please return to:

**THE ANUP ENGINEERING LIMITED**

(Formerly Known as Anveshan Heavy Engineering Limited)

CIN: L29306GJ2017PLC099085

Behind 66 KV Elec. Sub-Station,

Odhav Road, Ahmedabad - 382415, Gujarat, India