3RD ANNUAL REPORT

2019-20

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
Induslnd Bank Limited

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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CEO Message to Shareholders

Dear Shareholder,

FY2020 has yet again been a milestone in more ways than one. Despite the outbreak of the pandemic hitting operations in March, which has always been the most crucial and productive month for not just Anup but the manufacturing sector in general, we were able to register our best performance ever. Though the growth would have been much more significant had it not been for the pandemic, we still managed to deliver PAT of ₹ 43 Crores as compared to ₹ 39 Crores in FY19, up by 10%. EBITDA grew as well by 13% at ₹ 69 Crores compared to ₹ 61 Crores in FY19. Revenues rose by 11% at ₹ 245 Crores compared to ₹ 221 Crores in FY19 (excluding trading income & profit).

COVID-19 not only impacted businesses but also the way we live our lives. This unprecedented situation has left all sections of the society and entire nations jolted like never before. Lockdowns, containment zones, complete suspension of all forms of travel were some of the measures that were implemented by the Government and local administration.

Q4 sales were directly affected and hence Q4 FY20 is not comparable to its corresponding period last year. We could however take heart from the fact that we did manage to limit the impact of the crisis and achieved revenue of ₹ 70 Crores which was higher by 8% as compared to corresponding period last year. As we closed the year we had an order book of ₹ 267 Crores which yet again reaffirmed the trust placed upon us by our customers. Even during the ensuing lockdown we were able to significantly augment our order book by sustaining a strong in-flow of orders.

On the Capex front we were able to commission a new heavy bay in January 2020. This will help the company execute larger and more complex equipment orders at Odhav. At the Kheda campus though we completed the pre-construction work the actual construction could not be started due to the prevailing circumstances, setting back our Phase I plans by about 12 months. However we have reinitiated the work with a plan to complete Phase I by August 2021.

The commitment of our team enabled us to respond quickly to the challenging circumstances by implementing a business continuity plan which focused on ensuring safety and security of all our employees and adhering to the guidelines recommended by the government and local authorities. We are happy to report that the employment contracts of all new employees were honored and all employees have received their salaries in full along with other committed benefits.

Business in these times is certainly not as usual and that it is challenging would perhaps be an understatement. However, your company is prepared to deal with the crisis and its impact and still deliver a reasonably good performance. The focal point for all our efforts shall continue to be to ensure a safe environment at work for all, keeping our commitments to our customers, containing costs, ensuring progress on our key strategic initiatives – Capex, Market expansion, strengthening of product mix, and preventing disruptions in the supply chain.

I would like to take this opportunity to thank all our stakeholders including investors, our valued customers & suppliers and the administrative authorities for their support during the continuing pandemic situation. I would also like to express my heartfelt appreciation to our team members for their dedication and sincere efforts which have been instrumental in sustaining our business operations despite severe challenges. Their passion and enthusiasm define our collective approach. We are committed to continue our journey towards becoming the best manufacturer of process equipment with a deep sense of responsibility to our ecosystem, compassion and humility.

Best regards,
Rishi Roop Kapoor
Chief Executive Officer

Notice

Notice is hereby given that the **3rd (Third)** Annual General Meeting ("AGM") of the Members of **The Anup Engineering Limited** (Formerly known as Anveshan Heavy Engineering Limited) will be held on Saturday, 26th September 2020 at 11:00 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1 To receive, consider and adopt the Audited Financial Statements [including Consolidated Financial Statements] of the Company for the Financial Year ended 31st March 2020 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. Punit S. Lalbhai (holding DIN 05125502), 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 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 Only) 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 (including any Committee thereof) 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.

Registered Office:	By order of the Board
Behind 66 KV Elec. Sub-Station,	For The Anup Engineering Limited
Odhav Road,	
Ahmedabad-382415	**Chintankumar Patel**
Date: 24th June 2020	Company Secretary

NOTES

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing has to be a pre-requisite. The Ministry of Corporate Affairs ("MCA") has vide its circular dated 5th May 2020 read with circulars dated 8th April 2020 and 13th April 2020 ("MCA Circulars") and Securities and Exchange Board of India vide its circular dated 12th May 2020 ("SEBI Circular"), permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company will be held through VC / OAVM. **Hence, Members can attend and participate in the AGM through VC/OAVM only.** The deemed venue for the 3rd Annual General Meeting of the Company shall be the Registered Office of the Company. The detailed procedure for participating in the meeting through VC/OAVM is explained at Note No.20 below.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 19th September 2020 to Saturday, the 26th September 2020 (both days inclusive).

4. **DIVIDEND:** The dividend on equity shares for the year ended 31st March 2020,as recommended by the Board of Directors, if approved at the AGM , would be paid / dispatched subject to deduction of tax at source on due date (i) to all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), as of the close of business hours on Friday, the 18th September 2020 and (ii) To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on Friday, 18th September 2020.

5. **TDS ON DIVIDEND:** Pursuant to the changes introduced by the Finance Act 2020, w.e.f. 1st April 2020, the Company would be required to deduct tax at source (TDS) at the prescribed rates on the dividend paid to its shareholders. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company. Accordingly, the above referred Final Dividend will be paid after deducting the TDS. The Company will be sending out individual communication to the shareholders who have registered their email IDs with us. For the detailed process, the information is available on the Company's website at https://www.anupengg.com/dividend/.

6. In case the dividend declared at AGM could not be paid due to non-availability of the details of the bank account, the company

shall dispatch the dividend warrant cheque to such shareholder by post upon normalization of the postal services.

7. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to approach the Company or its RTA to claim their dividends, within the stipulated timeline. The Company did not declare any dividend on equity shares for the financial year 2017-18. Unclaimed and unpaid dividends for the financial year 2018-19 will be transferred to this fund on due date. Kindly note that once unclaimed and unpaid dividends and shares are transferred to the Investor Education and Protection Fund, members will have to approach to IEPF Authority for such dividends and shares.

8. SEBI vide its Circular No. SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated 20th April 2018 has mandated that for making dividend payments, companies whose securities are listed on the stock exchanges shall use electronic clearing services, direct credit, real time gross settlement, national electronic funds transfer etc. The Company and its Registrar and Share Transfer Agent ("RTA") are required to seek relevant bank details of shareholders from depositories/ investors for making payment of dividends in electronic mode. Further, pursuant to recent MCA General Circular 20/2020 dated 5th May 2020 Companies are directed to credit the dividend of the shareholders directly to the bank accounts of the shareholders using Electronic Clearing Service. Accordingly, Members are requested to provide or update (as the case may be) their bank details with the respective depository participant for the shares held in dematerialized form and with the RTA in respect of shares held in physical form.

9. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM inter-alia, indicating the process and manner of voting through electronic means along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website i.e. https://www.anupengg.com/financial-reports/, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at https://www.bseindia.com/ and https://www.nseindia.com/ respectively, and on the website of NSDL i.e. https:// www.evoting.nsdl.com.

10. In case of Joint holders, 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 at the AGM.

11. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

12. Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of atleast 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the AGM without any restriction on account of first-come first-served principle.

13. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the business under Item No. 4 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 of the Notice is also annexed to the notice.

14. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to investorconnect@anupengg.com.

15. The Securities and Exchange Board of India (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 their PAN to their Depository Participants (DPs) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to RTA viz. Link Intime India Private Limited / Company.

16. 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 register and share transfer agent viz Link Intime India Private Limited for assistance in this regard.

17. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

18. Since the AGM will be held through VC / OAVM, the Route Map is not annexed with Notice.

19. **INSTRUCTIONS FOR VOTING THROUGH ELECTRONIC MEANS (E-VOTING) AND OTHER INSTRUCTIONS RELATING THERETO ARE AS UNDER:**

   I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is pleased to provide to its

Members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means.

II. The Company has engaged the services of NSDL as the Agency to provide remote e-Voting facility and e-Voting during the AGM.

III. Ms. Ankita Patel, Practicing Company Secretary (Membership No. FCS 8536, COP 16497) has been appointed as the Scrutinizer to scrutinize the e-Voting during the AGM and remote eVoting in a fair and transparent manner.

IV. The Results of voting will be declared within 48 hours from the conclusion of the AGM. The declared Results, along with the Scrutinizer's Report will be submitted with the Stock Exchanges where the Company's equity shares are listed (BSE Limited & National Stock Exchange of India Limited) and shall also be displayed on the Company's website https://www.anupengg.com/ and NSDL's website https://www.evoting.nsdl.com/.

V. Voting rights of the Members for voting through remote e-voting and voting during the AGM shall be in proportion to shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Saturday, 19th September 2020. A person, whose name is recorded in the Register of Members or in the Register of Beneficial owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting and voting during the AGM.

VI. The remote e-voting facility will be available during the following period:

a. Commencement of remote e-voting: 9.00 A.M. (IST) on Wednesday, 23rd September 2020

b. End of remote e-voting: 5.00 P.M. (IST) on Friday, 25th September 2020

c. The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be disabled by NSDL upon expiry of aforesaid period.

VII. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

VIII. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

IX. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holds shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in mentioning their demat account number/folio number, PAN, name and registered address. However, if he/she is already registered with NSDL for remote e-Voting then he/she can use his/her existing User ID and password for casting the vote.

X. Process and manner for Remote e-voting:

Members are requested to follow the below instructions to cast their vote through e-Voting:

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

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

4. Your User ID details are given below:

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

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

a) Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of The Anup Engineering Limited to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Instructions for members for e-voting on the day of the AGM:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csankitapatel@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

In case you have not registered your e-mail address with the Company/Depository, please follow below instructions for registration of e-mail address for obtaining Annual Report and / or login details for e-voting

Physical Holding	Visit the link: https://linkintime.co.in/EmailReg/email_register.html and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and e-mail address.
Demat Holding	Please contact your Depository Participant (DP) and register your e-mail address in your demat account as per the process advised by your DP.

20. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM:

I. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at https://www.evoting.nsdl.com by using their remote e-voting login credentials and selecting the EVEN for Company's AGM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

II. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis. Further, an additional time of 15 minutes after the commencement of the meeting shall also be provided for joining the meeting.

III. Members are encouraged to join the Meeting through Laptops for better experience.

IV. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

V. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

VI. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/1800-222-990.

VII. Members seeking any information with regard to the annual accounts for 2019-20 or any business to be dealt at the AGM, are requested to send e-mail on investorconnect@anupengg.com on or before 23rd September 2020 along with their name, DP ID and Client ID/folio number, PAN and mobile number. The same will be replied by the Company suitably.

VIII. Further, members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID/Folio Number, PAN and mobile number at investorconnect@anupengg.com on or before 23rd September 2020. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Registered Office:
Behind 66 KV Elec. Sub-Station,
Odhav Road,
Ahmedabad-382415
Date: 24th June 2020

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 2020-21 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 2020-21.

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

The Board recommends this Ordinary Resolution for your approval.

Registered Office:
Behind 66 KV Elec. Sub-Station,
Odhav Road,
Ahmedabad-382415
Date: 24th June 2020

By order of the Board
For The Anup Engineering Limited

Chintankumar Patel
Company Secretary

Annexure to Item No. 3 of the Notice
Details of Directors seeking reappointment at the ensuing Annual General Meeting
(Pursuant to Regulation 24(6) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India)

Name of the Director	**Mr. Punit S. Lalbhai**
Director Identification Number (DIN)	05125502
Date of Birth	12th March 1982
Nationality	Indian
Date of Appointment	25th October 2017
Qualification	• B.Sc. (Conservative Biology), University of California, USA • MES (Environmental Science), Yale University, USA • MBA (Strategy & General Management), INSEAD, France • Masters in Management Studies
Expertise in specific functional Area and experience	Advanced Materials, Engineering and Agribusiness
Terms and Conditions of re-appointment along with details of remuneration sought to be paid	Refer item no. 3 of the Notice and report on Corporate Governance
Remuneration last drawn (including sitting fees, if any)	Refer report on Corporate Governance
Directorship in other Companies as on 31.03.2020 (excluding Foreign, private and Section 8 companies)	1. Arvind Limited 2. Arvind Fashions Limited 3. Arvind Smart Textiles Limited 4. Arvind Envisol Limited
Membership of Committees in other Public Limited Companies	Arvind Limited Corporate Social Responsibility Committee –Member
No. of Shares held in the Company as on 31.03.2020 (Face Value ₹10/- per share)	137
Number of meetings of the Board attended during the Financial Year 2019-20	Refer report on Corporate Governance
Relationship with other Directors, Manager and Key Managerial Personnel of the Company	Mr. Punit S. Lalbhai is a son of Mr. Sanjay S. Lalbhai, Chairman and Non-Executive Director of the Company.

Directors' Report

To,

The Members,

Your Directors are pleased to present the Third Annual Report together with the Audited Financial Statements of the company for the financial year ended on 31st March 2020.

1 FINANCIAL PERFORMANCE

The Audited Standalone and Consolidated Financial Statements of the Company as on 31st March 2020 are prepared in accordance with the relevant applicable IND AS and provisions of the Companies Act, 2013 ("Act").

The summarized financial highlight is depicted below:

(₹ in Lakhs)

Particulars	**Standalone**	
	2019-20	**2018-19**
Revenue from operations	24,546.14	24,299.19
Other Income	406.66	458.15
Total Income	**24,952.80**	**24,757.34**
Profit before Finance Cost, Depreciation & Amortization and Tax Expenses	7,267.96	6,851.82
Finance Cost	75.89	179.85
Depreciation & Amortization	891.83	793.00
Profit Before Tax	**6,300.24**	**5,878.97**
(i) Provision for Taxation (Current)	1,752.00	1,492.00
(ii) Deferred Tax	251.40	188.38
(iii) Provision for tax of earlier years	-	-
Profit After Tax	**4,296.84**	**4,198.59**
Non-Controlling Interest	-	-
Net Profit after Non-Controlling Interest	-	-
Other Comprehensive income	(9.26)	(7.73)
Total Comprehensive Income /(Expenses)	**4,287.58**	**4,190.86**

2 PERFORMANCE HIGHLIGHTS

- Sales stood at ₹ 245 Crores, up 11% versus ₹ 221 Crores* of last year.
- EBITDA stood at ₹ 69 Crores, up 13% versus ₹ 61 Crores of last year.
- EBITDA Margin improved to 28% versus 27% of last year.
- Net profit is ₹ 43 Crores, up 10% versus ₹ 39 Crores of last year.

  * (For comparative purpose, sales excludes trading income of ₹ 22.88 Crores for Financial Year 2019)

Anup's order book continues to remain very strong and opened this financial year with confirmed orders of ₹ 267 Crores to be delivered in next 4-5 quarters.

3 EFFECT OF COVID-19 PANDEMIC

The spread of COVID-19 has severely impacted businesses around the globe, including India. There has been severe disruption to regular business operations due to lock-down, disruption in transportation, supply chain and other emergency measures. The Company's office and plant was under lockdown since 23rd March 2020. As a result the volumes for the period from March to June 2020 has been impacted. The Company is monitoring the situation closely and operations are being ramped up in a phased manner taking into account directives from the Government.

In view of the outbreak of the pandemic, the Company undertook timely and essential measures to ensure the safety and well-being of all its employees at its plant location and the head office. The Company observed all the government advisories and guidelines thoroughly and in good faith.

4 DIVIDEND

The Board of Directors have recommended a final dividend of ₹ 7.00 (70%) per equity share of ₹ 10/- each for the year ended on 31st March 2020. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting (AGM). The final dividend on equity shares, if approved by the members, would involve a cash outflow of ₹ 7.14 Crores.

5 TRANSFER TO RESERVES

During the year under review, no amount is appropriated from Profit and Loss Account and transferred to any Reserve Account.

6 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.

7 SHARE CAPITAL

During the financial year under the review, there has been no change in the Authorised Capital of the Company. However, during the year company has allotted 5556 Equity Shares to the eligible employees pursuant to the exercise of the options granted to them under The Anup Engineering Limited – Employee Stock Option Scheme (DEMERGER) – 2018 at price of ₹ 244.02/- each including premium of ₹ 234.02/- each on 18th July 2019.

During the year under review, the Company has neither issued shares with differential voting rights and sweat equity shares.

8 EMPLOYEE STOCK OPTION SCHEMES (ESOS)

The Company has instituted three schemes viz, The Anup Engineering Limited - Employee Stock Option Scheme - 2018 ("TAEL ESOS - 2018"), The Anup Engineering Limited - Employee Stock Option Scheme (Demerger) - 2018 ("TAEL ESOS (DEMERGER) - 2018") and ANUP - Employee Stock Option Scheme - 2019 ("ANUP - ESOS 2019") pursuant to approval of the shareholders of the Company in their Meetings held on 12th May 2018, 12th May 2018 and 7th August 2019 respectively.

The Company has issued 87,500 options under TAEL ESOS - 2018, 58,371 options under TAEL ESOS (DEMERGER) - 2018 and 37500 options under Anup - ESOS 2019 up to 31st March 2020. All these options are convertible into equal number of Equity Shares of face value of ₹ 10 each.

The disclosures with respect to TAEL ESOS - 2018, TAEL ESOS (Demerger) - 2018 and ANUP ESOS - 2019 as required by Section 62 of the Companies Act, 2013, Rule 12 of 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 the Board's 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 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 DEPOSITS

The Company has not accepted or renewed any deposits in terms of Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 and hence furnishing the details of deposit in terms of Chapter V of the Companies Act, 2013 is not applicable to the Company. Further there are no outstanding deposits as at 31st March 2020.

11 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.

12 CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR) Policy of the company defines its philosophy and guides its actions for undertaking and supporting socially relevant project and programs. 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 (TAELCSR) 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. For doing so, the Company would always define an annual budget, select CSR initiatives and would work with like-minded individuals and organizations.

The brief details of Corporate Social Responsibility Policy, initiatives undertaken and the amount spent during the financial year 2019-20 is enclosed as **Annexure-B.**

13 HUMAN RESOURCES

Any organization, is only as effective and successful as the people comprising its workforce. At Anup, we believe that our human capital is our biggest asset and shapes business outcomes. Engaging, empowering and enabling employees is critical for sustained growth and organizational results and at Anup, we are committed to that effort.

A better employee experience is critical to long term organizational results of the company and we are invested in this effort through continuous dialogue, feedback and review on an ongoing basis. While focus has been on scaling this effort, concerted steps have been taken to ensure transformation of the HR function through the route of technology, in a stronger performance management, instituting performance conversations and reviews and creating opportunities for succession and pipeline building in the company.

HR areas relating to talent acquisition, enhanced life cycle experience, creation of rewards and recognition programs, robust performance management framework and creating lateral opportunities for people across diverse functions helps in creating a cohesive, empowered and an involved workforce. The Company believes in providing opportunities to its employees for their all-round growth and organizes various functional, technical, behavioral training and seminars during the year and many engagement activities.

14 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.

15 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.

16 VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has 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 > Investors > Policies.

17 SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES/ WHOLLY OWNED SUBSIDIARIES

As on 31st March 2020, the Company has a one wholly own subsidiary company which was incorporated during the year namely "Anup Heavy Engineering Limited". Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, a statement containing salient features of financial statements of subsidiaries, associates and joint venture companies in Form AOC-1 is attached to the Financial Statements. The separate audited financial statements in respect of the subsidiary shall be kept open for inspection at the Registered Office of the Company. The Company will also make available these documents upon request by any Member of the Company interested in obtaining the same. The separate audited financial statements in respect of the subsidiary are also available on the website of the Company at www.anupengg.com > Investors>Financial Reports.

The Company has framed a policy for determining material subsidiaries, which has been uploaded on website of the company at www.anupengg.com > Investors > Policies.

18 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. Punit S. Lalbhai (holding DIN 05125502) 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.

Key Managerial Personnel

As per the provisions of Section 203 of the Companies Act, 2013, Mr. Rishi Roop Kapoor - Chief Executive Officer, Mr. Rakesh Kumar Poddar-Chief Financial Officer and Mr. Chintankumar Patel - Company Secretary are the key managerial personnel of the Company.

19 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.

20 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 > Investors > Policies.

21 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 programs for Independent Directors are explained in the Corporate Governance Report and posted on the website of the Company at www.anupengg.com > Investors > Policies.

22 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.

23 NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

Four (4) Meetings of the Board of Directors were held during the financial year ended 31st March 2020. The intervening gap between two consecutive meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of the Board and the Committee meetings are provided in the Corporate Governance Report forming part of this Report.

24 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 2020, 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.

25 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 > Investors > Policies.

26 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 and Company's operations in future.

27 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 2019-20 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 2020-21.

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 2019 - 20. The Secretarial Audit Report is annexed herewith as **Annexure–C** to the Board's Report. 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.

28 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.

29 BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report as required by Regulation 34 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year under review is annexed to the Boards' Report and forms an integral part of this report.

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** to the Board's Report.

31 EXTRACT OF ANNUAL RETURN

The extract of the Annual Return of the Company as on 31st March 2020 in Form MGT - 9 in accordance with Section 92(3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 is annexed herewith as **Annexure-E** to the Board's Report.

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 (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure-F** to the Board's 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 2019-20.

34 ENHANCING SHAREHOLDERS' VALUE

Your Company believes that its members are 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: 24th June 2020
Place: Ahmedabad

Sanjay S. Lalbhai
Chairman
DIN: 00008329

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 ("TAEL") – Employee Stock Option Scheme – 2018 (ESOS -2018), The Anup Engineering Limited ("TAEL") – Employee Stock Option Scheme (DEMERGER) – 2018 (ESOS (DEMERGER) - 2018) and ANUP - Employee Stock Option Scheme - 2019 ("ANUP ESOS 2019") for the year ended March 31, 2020 are as under:

	Description of ESOS	**ESOS – 2018**	**ESOS (DEMERGER)- 2018**	**Anup ESOS 2019**
1 (a)	Date of shareholder's approval	12th May 2018 Date of approval to the Composite Scheme of Arrangement involving De-merger, 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		07th Aug 2019
(b)	Total number of shares approved	3,50,000	3,53,667	5,00,000
(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.	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.
(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	87,500	58,371	0
(b)	Options issued during the year (pursuant to the Scheme)	0	0	37,500
(c)	Options forfeited/lapsed during the year	0	0	0
(d)	Options vested during the year	0	25,038	0
(e)	Options exercised during the year	0	5,556	0
(f)	Number of shares arising as a result of exercise of option	0	5,556	0
(g)	Money realised by exercise of options (₹)	0	13,55,776	0
(h)	Loan repaid by the Trust during the year from exercise price received	NA	NA	NA
(i)	Options Outstanding at the end of the year	87,500	52,815	37,500
(j)	Options Exercisable at the end of the year	0	52,815	0
5A	Weighted average exercise prices of outstanding options whose:			
	Exercise price equals market price of stock (₹)	0	333.18	464.40
	Exercise price exceeds market price of stock	0	0	0
	Exercise price is less than market price of stock (₹)	151.43	0	10
5B	Weighted average fair value of outstanding options whose:			
	Exercise price equals market price of stock (₹)	0	203.10	208.99
	Exercise price exceeds market price of stock	0	0	0
	Exercise price is less than market price of stock (₹)	412.44	0	468.11

6	Granteewise details of options granted to:			
	(i) Key managerial personnel	No grants made during the year.	No grants made during the year.	Mr. Rishi Roop Kapoor (CEO) – 37,500 options
	(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
	(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
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:	No grants made during the year.	No grants made during the year.	
	(i) Share price (₹)			475.50
	(ii) Exercise price (₹)			373.52
	(iii) Expected volatility			49.68%
	(iv) Expected dividends			0.00%
	(v) Risk-free interest rate			6.37%
	(vi) Any other inputs to the model			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 prices 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:

SECTION 1

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

The Anup Engineering Limited Policy on Corporate Social Responsibility ("TAELCSR") defines its philosophy and provides guidelines on actions for undertaking and supporting socially relevant programmes. TAELCSR has been put in place to facilitate and formalize the CSR processes, set up a guiding structure and define broader thematic areas for identifying the projects and programs.

For doing so, the Company defines an annual budget, selects CSR initiatives and work with like-minded individuals and organizations. In addition, the company plans to utilize the skills of its Employee Talent in accomplishment of its CSR purpose.

The Policy was framed and approved in its Board Meeting dated 6th February, 2019.

The CSR Policy can be reached at our website www.anupengg.com > Investors > Policies.

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

The company through its CSR policy aims to work for social advancement. The Company broadly defined its CSR thematic focus are as Rural Advancement, Educational Advancement including Employment enhancing vocational skills and Initiatives in the nearby area where company would have operations.

The company has defined undertaking the "Corporate Social Responsibility" (CSR) initiatives through Narottam Lalbhai Rural Development Fund (NLRDF) and Strategic Help Alliance for Relief to Distressed Area (SHARDA) Trust. NLRDF and SHARDA have been active since over four and two decades respectively in improving the quality of life of the rural poor and the urban poor.

During Financial Year 2018-19, the company was not required to spend on CSR. However, during Financial Year 2019-20, the company decided to the Rural Development Projects that aimed to address the Farmers' cause. During the year under review, the company supported NLRDF in carrying out the Rural Development Project on Farmers' Skill Training aimed at getting better agricultural practices and help farmers to reduce cost and increase the produces. Different Training Programmes were planned and conducted every month. These were organised keeping in view different crop stages. The trainings were related to Soil health and Soil testing, Selection of seeds, Management of Weed, Management of Fertilizer, Management of Pest, understanding harmful effects of pesticides to human beings etc.

All the trainings were followed by Field visits for demonstration. In addition, Bio diversity committees were also created.

Over 4000 farmers including around 900 women farmers from 21 villages who worked on over 11000 acres of land have been benefitted through this project. The project is implemented with the help of a Manager and 10 Facilitators.

SECTION 2

Composition of Corporate Social Responsibility Committee:

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

SECTION 3

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

The average net profit of the Company is ₹ 19.59 Crores.

SECTION 4

Prescribed CSR expenditure (2% of the amount as in item 3 above):

The prescribed CSR Spend for the company for the year 2019-20 is ₹ 39.19 Lakhs.

SECTION 5

Detail of CSR spend for the financial year:

a. Total amount spent for the financial year: ₹ 40.00 Lakhs

b. Amount unspent, if any: Not Applicable

c. Manner in which the amount spent during the financial year is detailed below:

Manner in which amount spent during the financial year 2019-20								
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	
Sr. No.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Projects or programmes**	**Amount outlay (budget) project or programmes wise**	**Amount spent on the projects or programs**	**Cumulative expenditure up to the reporting period**	**Amount spent: Direct or through implementing agency**	**Remarks**
1	Farmers' Training	Rural Development	Rural Development project on Farmers' Skill Training	₹ 40.00 Lakhs	₹ 40.00 Lakhs	₹ 40.00 Lakhs	Through Narottam Lalbhai Rural Development Fund (NLRDF)	
	Total Spend				₹ 40.00 Lakhs			

Details of the Implementing Agencies			
Projects and Programmes	**Theme**	**Implementing Agency**	**Registration No.**
Rural Development farmers' Training	Rural Development	Narottam Lalbhai Rural Development Fund (NLRDF)	Registration No. E/3296/Ahmedabad dated 29th July 1978 under Bombay Public Trust Act

SECTION 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. The Company has spent the required amount.

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

Sanjay S. Lalbhai
Chairman

Punit S. Lalbhai
Chairman – CSR Committee

Date: 24th June 2020

Place: Ahmedabad

Annexure – C to the Directors' Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2020

[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 Anveshan Heavy Engineering Limited)
CIN: L29306GJ2017PLC099085
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 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 2020 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 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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).

I further report that, having regarded 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 certificates / reports taken on record by the Board of Directors of the Company, 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 hereinabove.

I further report that, during the audit period, company has allotted 5556 Equity Shares to the eligible employees pursuant to the exercise of the options granted to them under "The Anup Engineering Limited– Employee Stock Option Scheme (DEMERGER) – 2018" at price of ₹ 244.02/- per share including premium of ₹ 234.02/- per share on 18th July 2019 and except the above there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

Ankita Patel
Practicing Company Secretary
FCS No. F8536
C.P. No. 16497
UDIN: F008536B000372009

Date: 24th June 2020
Place: Ahmedabad

Note: This report is to be read with my 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 Anveshan Heavy Engineering Limited)
CIN: L29306GJ2017PLC099085
Behind 66 KV,Elec. Sub-Station,
Odhav Road, Ahmedabad – 382415

Dear Sir,

Sub: Secretarial Audit Report for the Financial Year ended on 31st March 2020.

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
FCS No. F8536
C.P. No. 16497
UDIN: F008536B000372009

Date: 24th June 2020
Place: Ahmedabad

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:

		2019-20	2018-19
1. (a)	**Electricity :**		
	Unit	23,10,000	25,40,425
	Total Amount (₹ in Lakhs)	150.30	164.91
	Rate/Unit (₹)	6.50	8.33
(b)	**Own Generation :**		
	(Through Diesel Generator)		
	Units	55	20
	Total Amount (₹)	990	270
	Rate/Unit (₹)	18.00	13.50
2.	**Furnace Gas/Oil:**		
	Quantity (MMBTU/Liters)	1,139.55	2,326.20
	Cost (₹ in Lakhs)	12.62	25.19
	Rate/Liter (₹)	1,107.53	1,082.76

B TECHNOLOGY ABSORPTION:

Technology absorption, adaption and innovation:

a) The company has adopted a technology to fabricate and supply Helical Baffle Heat Exchanger for global markets.

b) The company has signed a technology partnership who are the inventors and leaders in Embaffle Heat Exchangers technology. This technology had made us the only fabricator in India, with such capability.

Research and Development:

c) 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.

d) 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.

e) 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.

f) R and D Expenditure: **(₹ in Lakhs)**

Particulars	2019-20	2018-19
Capital	-	
Recurring	169.57	113.74
Total	**169.57**	**113.74**
Total R and D Expenditure as % of Total Turnover	0.69	0.47

C FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Foreign Exchange used and earned:

(₹ in Lakhs)

Particulars	2019-20	2018-19
Total foreign exchange used	4,955.01	3,753.51
Total foreign exchange earned	5,551.54	128,49.03

Annexure – E to the Directors' Report

Form No. MGT 9

Extract of Annual Return as on the financial year ended on 31st March 2020

[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	L29306GJ2017PLC099085
ii	Registration Date	14th September 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)	92
2	Pressure Vessels, Towers & reactors	259 (NIC-2008)	5
3	Others	259 (NIC-2008)	3

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
1	ANUP HEAVY ENGINEERING LIMITED Behind 66 KV Elec. Sub-Station, Odhav Road, Ahmedabad – 382415, Gujarat, India	U29100GJ2019PLC111583	Wholly Owned Subsidiary	100%	2(87)

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	
(A)	**Shareholding of Promoter and Promoter Group**									
(1)	**Indian**									
(a)	Individuals/ HUF	43539	588	44127	0.43	43539	588	44127	0.43	0.00
(b)	Cent. Gov./ State Gov.(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	4109088	0	4109088	40.31	4209088	0	4209088	41.27	0.96
(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
	SUB TOTAL (A)(1)	**4152627**	**588**	**4153215**	**40.74**	**4252627**	**588**	**4253215**	**41.70**	**0.96**
(2)	**Foreign**									
	SUB TOTAL (A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total Shareholding of Promoter and Promoter Group A = (1) + (2)	**4152627**	**588**	**4153215**	**40.74**	**4252627**	**588**	**4253215**	**41.70**	**0.96**
(B)	**Public Shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds/ UTI	1088656	409	1089065	10.68	643596	409	644005	6.31	(4.37)
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Alternate Investment Funds	444	0	444	0.00	600092	0	600092	5.88	5.88
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Foreign Portfolio Investor	1205491	794	1206285	11.83	338082	794	338876	3.32	(8.51)
(f)	Financial Institutions / Banks	425948	21108	447056	4.39	8262	21047	29309	0.29	(4.10)
(g)	Insurance Companies	0	0	0	0.00	261352	0	261352	2.56	2.56
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other- Foreign Bank	31	0	31	0.00	31	0	31	0.00	0.00
	SUB TOTAL (B)(1)	**2720570**	**22311**	**2742881**	**26.91**	**1851415**	**22250**	**1873665**	**18.37**	**(8.54)**
2	**Central Government/ State Government(s)/ President of India**	**7**	**0**	**7**	**0.00**	**8**	**0**	**8**	**0.00**	**0.00**
	SUB-TOTAL (B)(2)	**7**	**0**	**7**	**0.00**	**8**	**0**	**8**	**0.00**	**0.00**
(3)	**Non - Institutions**									
(a)	Individuals									
i)	Individual Shareholders holding nominal share capital up to ₹ 1 Lakh	1340233	197581	1537814	15.09	2017909	174710	2192619	21.50	6.41
ii)	Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	266259	115434	381693	3.74	656176	0	656176	6.43	2.69
(b)	NBFCs registered with RBI	527	0	527	0.01	258	0	258	0.00	0.01
(c)	Employee Trusts	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)									
i	IEPF	4009	0	4009	0.04	4009	0	4009	0.04	0.00
ii	Trusts	294972	0	294972	2.89	239689	0	239689	2.35	(0.54)

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	
iii	Hindu Undivided Family	151289	0	151289	1.48	126796	0	126796	1.24	(0.24)
iv	Non Resident Indians (Non Repat)	29389	11284	40673	0.40	47166	11275	58441	0.57	0.17
v	Non Resident Indians (Repat)	36905	5789	42694	0.42	59634	5786	65420	0.64	0.22
vi	Overseas Bodies Corporates	107	0	107	0.00	107	0	107	0.00	0.00
vii	Clearing Member	88939	0	88939	0.87	18330	0	18330	0.18	(0.69)
viii	Bodies Corporate	747003	8139	755142	7.41	702159	8139	710298	6.96	(0.44)
ix.	Foreign Nationals	0	0	0	0.00	487	0	487	0.00	0.00
	SUB TOTAL (B)(3)	**2959646**	**338227**	**3297873**	**32.35**	**3872728**	**199910**	**4072630**	**39.93**	**7.58**
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	**5680209**	**360538**	**6040754**	**59.26**	**5724143**	**222160**	**5946303**	**58.30**	**(0.96)**
	TOTAL (A)+(B)	**9832843**	**361126**	**10193962**	**100.00**	**9976770**	**222748**	**10199518**	**100.00**	**0.00**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**	**0.00**	**0.00**
	GRAND TOTAL (A) + (B) + (C)	**9832836**	**361126**	**10193962**	**100.00**	**9976770**	**222748**	**10199518**	**100.00**	**0.00**

(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	Aura Securities Private Limited	3551617	34.84	1.54	3551617	34.82	0.00	(0.02)
2	Aura Business Ventures LLP	233329	2.29	0.00	333329	3.27	0.00	0.98
3	Atul Limited	152869	1.50	0.00	152869	1.50	0.00	0.00
4	Aagam Holdings Private Limited	97491	0.96	0.00	97491	0.96	0.00	0.00
5	Arvind Farms Pvt Ltd	55189	0.54	0.00	55189	0.54	0.00	0.00
6	Samvegbhai Arvindbhai HUF	7476	0.07	0.00	7476	0.07	0.00	0.00
7	Snehal Mohta	7000	0.07	0.00	7000	0.07	0.00	0.00
8	Adore Investments Private Limited	6775	0.07	0.00	6775	0.07	0.00	0.00
9	Jayshreeben Sanjaybhai Lalbhai	5023	0.05	0.00	5023	0.05	0.00	0.00
10	Kalpana Shripal Morakhia	4928	0.05	0.00	4928	0.05	0.00	0.00
11	Anusandhan Investments Limited	4259	0.04	0.00	4259	0.04	0.00	0.00
12	Amardeep Holdings Private Limited	3490	0.03	0.00	3490	0.03	0.00	0.00
13	Aayojan Resources Private Limited	3370	0.03	0.00	3370	0.03	0.00	0.00
14	Saumya Samvegbhai Lalbhai	2863	0.03	0.00	2863	0.03	0.00	0.00
15	Swati S Lalbhai	2795	0.03	0.00	2795	0.03	0.00	0.00
16	Taral S Lalbhai	2642	0.03	0.00	2642	0.03	0.00	0.00
17	Sunil Siddharth Lalbhai	2581	0.03	0.00	2581	0.03	0.00	0.00
18	Vimla S Lalbhai	2577	0.03	0.00	2577	0.03	0.00	0.00
19	Kulin Sanjaybhai	1960	0.02	0.00	1960	0.02	0.00	0.00

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding 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	
20	Sanjaybhai Shrenikbhai Lalbhai	1456	0.01	0.00	1456	0.01	0.00	0.00
21	Samvegbhai Arvindbhai Lalbhai	1344	0.01	0.00	1344	0.01	0.00	0.00
22	Hansa Niranjanbhai	1010	0.01	0.00	1010	0.01	0.00	0.00
23	Adhinami Investments Private Limited	685	0.01	0.00	685	0.01	0.00	0.00
24	Badlani Manini Rajiv	264	0.00	0.00	264	0.00	0.00	0.00
25	Punit Sanjaybhai	137	0.00	0.00	137	0.00	0.00	0.00
26	Astha Lalbhai	71	0.00	0.00	71	0.00	0.00	0.00
27	Akshita Holdings Private Limited	5	0.00	0.00	5	0.00	0.00	0.00
28	Aura Business Enterprise Private Limited	3	0.00	0.00	3	0.00	0.00	0.00
29	Aura Merchandise Private Limited	3	0.00	0.00	3	0.00	0.00	0.00
30	Aura Securities Private Limited	3	0.00	0.00	3	0.00	0.00	0.00
31	Arvind Limited	0	0.00	0.00	0	0.00	0.00	0.00
32	Arvind SmartSpaces Limited	0	0.00	0.00	0	0.00	0.00	0.00
33	Arvind Fashions Limited	0	0.00	0.00	0	0.00	0.00	0.00
34	Anukul Investments Private Limited	0	0.00	0.00	0	0.00	0.00	0.00
35	Shruti Trade Link Private Limited	0	0.00	0.00	0	0.00	0.00	0.00
36	Kasturbhai Lalbhai Museum Limited (Formerly Anagram Knowledge Academy Limited)	0	0.00	0.00	0	0.00	0.00	0.00
37	Amplus Capital Advisors Private Limited	0	0.00	0.00	0	0.00	0.00	0.00
38	Aagam Agencies Private Limited (Formerly Adhigam Investments Private Limited)	0	0.00	0.00	0	0.00	0.00	0.00
39	Amal Limited	0	0.00	0.00	0	0.00	0.00	0.00
40	Atul Finserv Limited	0	0.00	0.00	0	0.00	0.00	0.00
41	Anchor Adhesives Private Limited	0	0.00	0.00	0	0.00	0.00	0.00
42	Atul Bioscience Limited	0	0.00	0.00	0	0.00	0.00	0.00
43	Rudolf Atul Chemicals Limited	0	0.00	0.00	0	0.00	0.00	0.00
44	Style Audit LLP	0	0.00	0.00	0	0.00	0.00	0.00
45	JP Trunkshow LLP	0	0.00	0.00	0	0.00	0.00	0.00
46	Lalbhai Poorva Punitbhai	0	0.00	0.00	0	0.00	0.00	0.00
47	Jaina Kulin Lalbhai	0	0.00	0.00	0	0.00	0.00	0.00
48	Ishaan Punit Lalbhai	0	0.00	0.00	0	0.00	0.00	0.00
49	Ruhani Punit Lalbhai	0	0.00	0.00	0	0.00	0.00	0.00
50	Ananyaa Kulin Lalbhai	0	0.00	0.00	0	0.00	0.00	0.00
51	Anamikaben Samveghbhai Lalbhai	0	0.00	0.00	0	0.00	0.00	0.00
52	Sunil Siddharth HUF	0	0.00	0.00	0	0.00	0.00	0.00
	TOTAL	**4153215**	**40.74**	**1.54**	**4253215**	**41.70**	**0.00**	**0.96**

(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
1	**Aura Securities Private Limited**				
	At the beginning of the year	3551617	34.84	--	--
	At the End of the year	--	--	3551617	34.82
2	**Aura Business Ventures LLP**				
	At the beginning of the year	233329	2.29	--	--
	Purchase (23.05.2019)	100000	0.98	333329	3.27
	At the End of the year	--	--	333329	3.27
3	**Sanjaybhai Shrenikbhai Lalbhai**				
	At the beginning of the year	1456	0.01	--	--
	At the End of the year	--	--	1456	0.01
4	**Jayshreeben Sanjaybhai Lalbhai**				
	At the beginning of the year	5023	0.05	--	--
	At the End of the year	--	--	5023	0.05
5	**Punit Sanjaybhai**				
	At the beginning of the year	137	0.00	--	--
	At the End of the year	--	--	137	0.00
6	**Kulin Sanjaybhai**				
	At the beginning of the year	1960	0.02	--	--
	At the End of the year	--	--	1960	0.02
7	**Poorva Punitbhai Lalbhai**				
	At the beginning of the year	0	0.00	--	--
	At the End of the year	--	--	0	0.00
8	**Jaina Kulin Lalbhai**				
	At the beginning of the year	0	0.00	--	--
	At the End of the year	--	--	0	0.00
9	**Ishaan Punit Lalbhai**				
	At the beginning of the year	0	0.00	--	--
	At the End of the year	--	--	0	0.00
10	**Ruhani Punit Lalbhai**				
	At the beginning of the year	0	0.00	--	--
	At the End of the year	--	--	0	0.00
11	**Ananyaa Kulin Lalbhai**				
	At the beginning of the year	0	0.00	--	--
	At the End of the year	--	--	0	0.00

(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
1	**HDFC Trustee Company Ltd - A/C HDFC Mid - Cap Opportunities Fund**				
	At the beginning of the year	501325	4.92		
	Purchase – 28.02.2020	13100	0.13	514425	5.04
	Purchase – 06.03.2020	46900	0.46	561325	5.50
	Purchase – 13.03.2020	9000	0.09	570325	5.59
	Purchase – 20.03.2020	5000	0.05	575325	5.64
	Purchase – 31.03.2020	2544	0.02	577869	5.67
	At the End of the year	--	--	577869	5.67
2	**Abakkus Emerging Opportunities Fund-1**				
	At the beginning of the year	0	0.00		
	Purchase – 27.09.2019	205500	2.01	205500	2.01
	Purchase – 01.11.2019	3800	0.04	209300	2.05
	Purchase – 22.11.2019	55000	0.54	264300	2.59
	Purchase – 20.12.2019	58700	0.58	323000	3.17
	Purchase – 03.01.2020	1300	0.01	324300	3.18
	Purchase – 28.02.2020	102000	1.00	426300	4.18
	Purchase – 06.03.2020	35000	0.34	461300	4.52
	Purchase – 13.03.2020	5026	0.05	466326	4.57
	Purchase – 20.03.2020	20000	0.20	486326	4.77
	At the End of the year	--	--	486326	4.77
3	**The New India Assurance Company Limited**				
	At the beginning of the year	261352	2.56		
	At the End of the year	--	--	261352	2.56
4	**Aml Employee Welfare Trust**				
	At the beginning of the year	234345	2.30		
	At the End of the year	--	--	234345	2.30
5	**Chetan Jayantilal Shah**				
	At the beginning of the year	0	0.00		
	Purchase – 29.11.2019	70000	0.69	70000	0.69
	Purchase – 20.12.2019	30000	0.29	100000	0.98
	Purchase – 17.01.2020	50000	0.49	150000	1.47
	At the End of the year	--	--	150000	1.47
6	**Habrok India Master Lp**				
	At the beginning of the year	100000	0.98		
	Purchase – 31.01.2020	20000	0.20	120000	1.18
	At the End of the year	--	--	120000	1.18

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
7	**Edelweiss Multi Strategy Investment Trust-Edelweiss Catalyst Opportunities Fund**				
	At the beginning of the year	0	0.00		
	Purchase – 30.08.2019	99766	0.98	99766	0.98
	At the End of the year	--	--	99766	0.98
8	**Franklin India Prima Fund**				
	At the beginning of the year	71731	0.70		
	Sale – 24.05.2019	(6044)	(0.06)	65687	0.64
	At the End of the year	--	--	65687	0.64
9	**Emerging Markets Core Equity Portfolio (the Portfolio) of Dfa Investment Dimensions Group Inc. (DFAIDG)**				
	At the beginning of the year	63183	0.62		
	At the End of the year	--	--	63183	0.62
10	**Nirmal Bang Financial Services Private Limited**				
	At the beginning of the year	110000	1.08		
	Sale – 24.05.2019	(54000)	(0.53)	56000	0.55
	At the End of the year	--	--	56000	0.55

Note: (1) The above information is based on the weekly beneficiary position received from Depositories. (2) The Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholders.

(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
1	**Mr. Sanjaybhai S. Lalbhai – Chairman & Non-Executive Director**				
	At the beginning of the year	1456	0.01	--	--
	Date wise increase/decrease in shareholding during the year	--	--	0	0.00
	At the end of the year	--	--	1456	0.01
2	**Mr. Punit S. Lalbhai - Non-Executive Director**				
	At the beginning of the year	137	0.00	--	--
	Date wise increase/decrease in shareholding during the year	--	--	0	0.00
	At the end of the year	--	--	137	0.00
3	**Mr. Samvegbhai Lalbhai - Non-Executive Director**				
	At the beginning of the year	1344	0.01		
	Date wise increase/decrease in shareholding during the year	--	--	0	0.00
	At the end of the year	--	--	1344	0.01
4	**Mr. Arpit Patel -Independent Director**				
	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
5	**Mr. Ganpatraj Chowdhary - Independent Director**				
	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
6	**Ms. Reena Bhagwati - Independent Director**				
	At the beginning of the year	1074	0.01	--	--
	Purchase – 05.09.2019	66	0.00	1140	0.01
	Purchase – 09.09.2019	1134	0.01	2274	0.02
	Purchase – 16.09.2019	36	0.00	2310	0.02
	Purchase – 20.12.2019	792	0.01	3120	0.03
	Purchase – 23.12.2019	1208	0.01	4310	0.04
	Purchase – 26.12.2019	7856	0.08	12166	0.12
	Purchase – 27.12.2019	2000	0.02	14166	0.14
	Purchase – 31.12.2019	834	0.01	15000	0.15
	Purchase – 25.02.2020	5000	0.05	20000	0.20
	Purchase – 09.03.2020	500	0.00	20500	0.20
	Purchase – 13.03.2020	770	0.01	21270	0.21
	Purchase – 18.03.2020	750	0.01	22020	0.22
	Purchase – 20.03.2020	2000	0.02	24020	0.24
	Purchase – 23.03.2020	600	0.01	24620	0.25
	Purchase – 24.03.2020	500	0.00	25120	0.25
	Purchase – 25.03.2020	500	0.00	25620	0.25
	Purchase – 26.03.2020	250	0.00	25870	0.25
	Purchase – 31.03.2020	18	0.00	25888	0.25
	At the end of the year	--	--	25888	0.25
7	**Mr. Rishi Roop Kapoor - Chief Executive Officer (KMP)**				
	At the beginning of the year	11	0.00	--	--
	Date wise increase/decrease in shareholding during the year	--	--	0	0.00
	At the end of the year	--	--	11	0.00
8	**Mr. Rakesh Kumar Poddar - Chief Financial Officer (KMP)**				
	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
9	**Mr. Chintankumar Patel - Company Secretary (KMP)**				
	At the beginning of the year (Holding fractional shares as a trustee acting on behalf of the fractional shareholders pursuant to composite scheme of arrangement)	103185	1.01	--	--
	Sell - 28.08.2019	8538	0.08	94647	0.93
	Sell - 29.08.2019	17508	0.17	77139	0.76
	Sell - 30.08.2019	5751	0.06	71388	0.70
	Sell – 03.09.2019	8668	0.08	62720	0.61
	Sell – 04.09.2019	52	0.00	62668	0.61
	Sell – 05.09.2019	248	0.00	62420	0.61
	Sell – 06.09.2019	2815	0.03	59605	0.58
	Sell – 09.09.2019	7163	0.07	52442	0.51
	Sell – 11.09.2019	29000	0.28	23442	0.23
	Sell – 12.09.2019	12728	0.12	10714	0.11
	Sell – 13.09.2019	10714	0.11	0	0.00
	At the end of the year	--	--	0	0.00

V. INDEBTEDNESS

(₹ in Lakhs)

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

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
(1)	**Independent Directors**	**Arpit Patel**	**Ganpatraj Chowdhary**	**Reena Bhagwati**	
	- Fee for attending board / committee meetings	1,40,000/-	70,000/-	40,000/-	2,50,000/-
	- Commission	--	--	--	
	- Others, please specify	--	--	--	
	Total (1)	**1,40,000/-**	**70,000/-**	**40,000/-**	**2,50,000/-**
(2)	**Other Non-Executive Directors**	**Sanjay S. Lalbhai**	**Punit S. Lalbhai**	**Samvegbhai Lalbhai**	
	- Fee for attending board / committee meetings	40,000/-	90,000/-	20,000	1,50,000/-
	- Commission	--	--	--	--
	- Others, please specify	--	--	--	--
	Total (2)	**40,000/-**	**90,000/-**	**20,000**	**1,50,000/-**
	Total = (1)+(2)				**4,00,000/-**
	Ceiling as per the Act	1% of the Net profits of the Company			
	Total Managerial Remuneration				**4,00,000/-**
	Overall Ceiling as per the Act	11% of the Net profits of the Company			

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 section17 (1) of the Income-tax Act, 1961	2,67,87,264	38,21,055	6,46,155	3,12,54,474
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	5,85,836	--	--	5,85,863
(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	12,01,375	2,18,667	35,337	14,55,378
	Total (A)	**2,85,74,475**	**40,39,722**	**6,81,492**	**3,32,95,688**

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)
A.COMPANY/ DIRECTORS/ OTHER OFFICERS IN DEFAULT					
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 the financial year 2019-20	Mr. Sanjay S. Lalbhai	0.10	0.10
		Mr. Punit S. Lalbhai	0.23	0.23
		Mr. Samvegbhai Lalbhai	0.05	0.05
		Mr. Arpit Patel	0.36	0.36
		Mr. Ganpatraj Chowdhary	0.18	0.18
		Ms. Reena Bhagwati	0.10	0.10
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 2019-20	**Director**	**% change**	
		Mr. Sanjay S. Lalbhai	300	
		Mr. Punit S. Lalbhai	200	
		*Mr. Samvegbhai Lalbhai	NA	
		*Mr. Arpit Patel	250	
		*Mr. Ganpatraj Chowdhary	75	
		*Ms. Reena Bhagwati	100	
		#Chief Executive Officer		
		Mr. Rishi Roop Kapoor	341	
		#Chief Financial Officer		
		Mr. Rakesh Poddar	293	
		#Company Secretary		
		Mr. Chintankumar Patel	202	
iii	The percentage increase in the median remuneration of employees in the financial year 2019-20	15%		
iv	The number of permanent employees on the rolls of Company	157 Employees as on 31st March 2020		
v	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year 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	Average increase for Key Managerial Personnel is 76.79 % and for other employees was about 11.60 %. The managerial remuneration increase due to Key Managerial Personnel were appointed on 3rd December 2018 and amount paid to them in last years were on prorated earning.		
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.		

Note: During the year Directors paid only sitting fees of ₹ 10,000/- for attending each Board meeting and each Committee meeting hence directors do not receive any remuneration other than sitting fee.
**appointed on 1st November 2018 and hence sitting fee paid to them in last year were on prorated earnings.*
 # appointed on 3rd December 2018 and hence amount paid to them in last year were on prorated earnings.

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. In the recent years, the heat exchangers market 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 as well as the introduction of systems of heat exchangers in various industrial processes.

(b) Opportunities and Threats:

COVID-19 remains unpredictable and dynamic impacting project progress in financial year 2021 to some extent due to labour shortages and challenges of overall supply chain management but we expect conditions to gradually stabilize. On the market front though, with the recent upgradation of infrastructure there are interesting opportunities available to the company to enhance the product mix, enter new markets and industry sectors both in the domestic as well as export markets.

(c) Segment–wise or product-wise performance:

Our customer focus helps us in our endeavour in innovation and also strengthen our capabilities for providing customer satisfaction through differentiated offering. We are in a good position to expand our product mix which is currently Shell & Tube Heat Exchangers centric to also include other types of process equipment like columns and reactors in the near future.

(d) Outlook:

The current situation is creating a high level of uncertainty. The COVID-19 situation is dynamic, but the underlying fundamentals of our business remain extremely strong. Moreover, India seemingly is better placed as no major capex cut has been announced by the PSUs. On our capex front as we have successfully completed the extension of our heavy bay at Odhav and this has further strengthened the manufacturing capabilities. This will also help the company to execute larger and more complex equipment orders. Further the company plans to ramp up its Kheda project to catch up on lost time due to COVID-19 at the same time balancing the cash flows with a cautious approach precipitated by the pandemic.

(e) 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. We are closely monitoring the usual risks involved in our business which include unforeseen fluctuations in Raw Material prices, sudden cancellation/ deferral in customer orders, unavailability/disruption of labor accentuated especially in the currently prevailing pandemic situation. Beyond these usual risk items, the management does not foresee any other risk that can severely impair our business outcomes.

(f) 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.

(g) Discussion on financial performance with respect to operational performance:

This discussion covers the financial results and other developments during April 2019 to March 2020 in respect of the Company. Published result is as prepared on Indian Accounting Standards (IND AS). Highlights below given only for comparison.

Financial Highlights for operating performance (excluding Trading income) Q4 and F.Y. 2020

(₹ in Crores)

	FY20	FY19	Q4 FY20	Q4 FY19
Revenue from Operation	245	221	70	65
EBITDA	69	61	16	18
MARGIN	28%	27%	23%	27%
PBT	63	56	15	17
PAT	43	39	9	11

Overall revenues for the year grew 11% and stood at ₹ 245 Crores excluding trading income. Sales and Other income for the year ended 31st March 2020 were ₹ 249 Crores as compared to ₹ 226 Crores on 31st March 2019. The net profit stood at ₹ 43 Crores (previous year ₹ 39 Crores).

(h) 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 2020 there were 157 permanent employees of Management Staff on role of the Company.

(i) 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

(j) 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 2020 the Net Worth of the company stood at ₹ 323 Crores as compared ₹ 288 Crores as on 31st March 2019.

(k) 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 the forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L29306GJ2017PLC099085
2	Name of the Company	THE ANUP ENGINEERING LIMITED (Formerly Anveshan Heavy Engineering Limited) “ANUP”
3	Registered address	BEHIND 66 KV, ELEC. SUBSTATION, ODHAV ROAD, AHMEDABAD – 382415
4	Website	www.anupengg.com
5	E-mail id	investorconnect@anupengg.com
6	Financial Year reported	F.Y. 2019-20
7	Sector(s) that the Company is engaged in (industrial activity code- wise)	Manufacture of other fabricated metal products; metalworking service activities.*Code:259
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Heat Exchangers, Pressure Vessels, Towers, Reactors, Column and Centrifuges
9	Total number of locations where business activity is undertaken by the Company	
(a)	Number of International Locations (Provide details of major 5)	NIL
(b)	Number of National Locations	Company has its Registered office and owns manufacturing unit located at Ahmedabad, Gujarat.
10	Markets served by the Company – Local/State/National/International	All

*As per National Industrial Classification (NIC) 2008

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	₹ 10.20 Crores
2	Total Turnover (INR)	₹ 245.46 Crores
3	Total profit after taxes (INR)	₹ 42.97 Crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2% of the average net profit of the company made during the three immediately preceding Financial Years. The Company’s total spending on CSR for the year ended 31st March 2020 was ₹ 40.00 Lakhs which is 2% of the Profit after Tax.
5	List of activities in which expenditure in 4 above has been incurred:-	Refer Section 5 of Annexure B to the Directors’ Report

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	The Company has one subsidiary Anup Heavy Engineering Limited as on 31st March 2020.
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No, subsidiary Company do not participate in BR initiatives as of now.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No other entity / entities participate in the BR Initiatives of the Company.

BUSINESS RESPONSIBILITY REPORT

SECTION D: BR INFORMATION

1 Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

No.	Particulars	Details
1	DIN Number (if applicable)	05125502
2	Name	Mr. Punit S. Lalbhai
3	Designation	Director
4	Telephone number	079-68268000
5	e-mail id	punit.lalbhai@arvind.in

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	
2	Name	Mr. Abhishek Bansal
3	Designation	Head of Sustainability
4	Telephone number	9712909648
5	e-mail id	abhishek.bansal@arvind.in

2 Principle-wise (as per NVGs) BR Policy/policies

National Voluntary Guidelines		Anup's Policies
P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability	Code of Conduct for Directors and SMP, Related Party Transactions Policy, Whistleblower Policy
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	Environment Policy, Quality Policy
P3	Businesses should promote the well-being of all employees	Safety Policy, Prevention of Sexual Harassment Agreement, Freedom of Association (Code of Conduct), Maternity Policy
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised	Whistleblower Policy and Code of Conduct
P5	Businesses should respect and promote human rights	Code of Conduct, Whistleblower Policy
P6	Business should respect, protect and make efforts to restore the environment	Environment Policy
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	Code of Conduct
P8	Businesses should support inclusive growth and equitable development	Corporate Social Responsibility Policy, Maternity Policy
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	Code of Conduct, Quality Policy

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Various national and international laws as well as international conventions are captured in the policies articulated by company such as GRI Guidelines and International Standards.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Company is having a committee for CSR, Sexual Harassment of Women at the Workplace. For the other policies, the Company is having adequate internal control on its review and implementation.								
6	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Independent audit has not been carried out by external agency. However, the policies, if required, are evaluated in-house, from time to time and updated whenever necessary.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options): Not Applicable

3. Governance related to BR

i. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Board of Directors meet every quarter to discuss applicable BR issues and assess the BR performance of the Company.

ii. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This report comprises the Company's first Business Responsibility Report as per the National Voluntary Guidelines on Social, Environmental and Economic Responsibility of Business (NVG). The Company currently does not publish a separate Sustainability Report.

Section E: Principle-wise Performance

Principle 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

   Our Corporate Governance practices apply across the company and Group and extend to our value-chain partners like suppliers and service providers, distributors, sales representatives, contractors, channel partners, consultants, intermediaries and agents, joint-venture partners or other business associates, financial stakeholders, governments of the countries in which we operate.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   Anup's stakeholder includes Investors, clients, employees, vendors/ partners, government and local communities. For details on Investor complaints and resolutions, refer to the 'Investor Grievance' in General Shareholder Information Section of Annual Report.

   For details on employee grievances and resolutions, the Company has a robust system of Complaints Handling. The complaints are received through a third-party service agency. Such complaints are routed to the Whistle Blower Committee appointed by the Audit Committee. Its members include Independent Director and Head of Internal Audit. The complaints are investigated and the investigation results are reported to the Audit Committee, along with action taken. The Company has not received any complaints from employees and business partners during the year.

Principle 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   (a) Heat Exchangers

   (b) Pressure Vessels

   (c) Towers & reactors

   The Company has all quality and inspection systems in place to ensure all goods and services provided by the Company are safe and sustainable throughout their life cycle.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

   The Company is conscious about use of water, energy and resources in course of production and manufacturing activities. Additional details relating to energy and others are given in the Annexure D to the Board Report contained in this Annual Report.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

   The Company maintains a healthy relationship with its suppliers, vendors and other service providers and the business practice of the Company include them in its growth. The process of vendor registration lays emphasis on safe working conditions, prevention of child labour, business ethics and general housekeeping by the vendor.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

   The Company, wherever possible, procures goods and services from vendors in surrounding locality of manufacturing facilities including transportation and labours/ Staff. Whenever possible, the company prefers to support and encourage employment among communities surrounding its place of works.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   Waste generated in course of manufacturing activities is not material. The Company disposes the waste through registered /appropriate agencies involved in proper disposal/recycling.

Principle 3 Businesses should promote the wellbeing of all employees

1. **Please indicate the Total number of employees.**

   Total number of employees as on 31st March 2020 were 157.

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis.**

   Out of the total employees Nil were on contractual basis.

3. **Please indicate the Number of permanent women employees.**

   The number of permanent women employees as on 31st March 2020 was 3.

4. **Please indicate the Number of permanent employees with disabilities.**

   Number of permanent employees with disabilities as on 31st March 2020 were Nil.

5. **Do you have an employee association that is recognized by management.**

   No employees association exist. However, employees have access to management to raise their concerns without any fear and its always endeavor of the management to resolve the issues satisfactorily. Wherever the workers unions exist at some manufacturing facilities, the Company cooperates with such union keeping in view larger interest of society, workers and stakeholders.

6. **What percentage of your permanent employees is members of this recognized employee association?**

   Not Applicable

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

   The Company impart training relating to safety and skill upgradation to its employees including casual, temporary and contractual and its always endeavor of the management to cover maximum in the training programmes. The Company organizes various training sessions in-house.

Principle 4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the company mapped its internal and external stakeholders? Yes/No**

   The Company has mapped its internal and external stakeholders, the major or key categories include government / regulatory authorities. However, the process of mapping of stakeholders is an ongoing effort of updation.s

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

   No.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   No.

Principle 5 Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures / Suppliers / Contractors /NGOs / Others?**

   Yes, Company including employees and contractors are covered by CoC standards. Not only our intentions, but also our actions are compliant with all statutory laws and regulations.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   There were no complaints reported on violation of any Human rights during the financial year.

Principle 6 Business should respect, protect, and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures / Suppliers / Contractors / NGOs / others.**

   Yes, the Company's Environment policy is made available to all our employees. Also, posters and instructions are physically displayed across our premises. We are certified to ISO 9001:2015, ISO 14001:2015 at our manufacturing location.

   Additionally, we encourage our suppliers and contractors to adopt similar policies and practices.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes, the Company is committed to addressing the global environmental issues such as climate change and global warming through energy conservation, efficient natural resource utilization.

3. **Does the company identify and assess potential environmental risks? Y/N**

   Yes, we have a proper mechanism to identify and assess the potential environmental risks on a regular basis and also do the after follow-ups for the same to ensure the proper actions to cater to those identified risks.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   Currently we do not have any project related to Clean Development Mechanism.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   Detail relating to energy conservation is given in annexure to the Board report contained in this Report.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   We did not have any monetary or non-monetary sanctions imposed on us for non-compliance with environmental laws and regulations during FY 2019-20.

Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   (a) Gujarat Chamber of Commerce and Industry

   (b) Federation of Indian Export Organization

   (c) Export Inspection Agency Ahmedabad

   (d) Director General of Foreign Trade

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   The Company extends its support to various business associations and support / advocate on various issues, whenever necessary, keeping in view the interest of various stakeholders.

Principle 8 Businesses should support inclusive growth and equitable development

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   Relevant details of CSR initiatives are included in the Annual Report on CSR forming part of this Annual Report.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   The Company generally undertakes CSR projects through various agencies. Requisite details of entities through which CSR initiatives were undertaken included in the Annual Report on CSR forming part of this Annual Report.

3. **Have you done any impact assessment of your initiative?**

   The CSR team of the Company periodically does impact assessment of various initiatives undertaken by the Company.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

   Refer details of CSR contributions in the Annual report on CSR forming part of this Annual Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Our CSR implementation team ensure that resources provided by us are well utilized.

Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   We resolve all the customer queries and complaints in timely and efficient manner. There are no long-standing complaints that are pending resolution.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

   Not applicable

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   Not applicable.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   Customer response and customer satisfaction are one of the most important factors of any business. The company engages with its customers at various platforms to understand their expectation. Not during recently concluded financial year.

Corporate Governance Report

The Board of Directors present the Company's report on Corporate Governance for year ended on 31st March 2020.

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 director's including Independent Directors with at least one woman director.

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 Chairman and 3 (Three) Non-Executive Independent Directors.

The composition of the Board of Directors as at 31st March 2020:

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	4	1	1
2	Mr. Punit S. Lalbhai	Non-Executive Director	5	0	1
3	Mr. Samvegbhai Lalbhai	Non-Executive Director	3	0	0
4	Mr. Arpit Patel	Independent Director	2	1	2
5	Mr. Ganpatraj Chowdhary	Independent Director	3	4	0
6	Ms. Reena Bhagwati	Independent Director	4	5	0

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:

Sr. No	Name of Director	Name of listed entities in which the concerned Director is a Director	Category of directorship
1	Mr. Sanjay S. Lalbhai	Arvind SmartSpaces Limited	Chairman & Non-Executive Director
		Arvind Limited	Chairman & Managing 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 and 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. 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 Executive Director of Arvind Limited and leads Arvind's Advanced Materials, Engineering & Agribusinesses. He also spearheads initiatives in sustainability, CSR and Innovation at Arvind. He has an MBA from INSEAD, France and Masters in Environmental Science from Yale University, USA.

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. Mr. Ganpatraj Chowdhary 57 years, hails from Gadh Siwana, Barmer District, Rajasthan, and is a Commerce Graduate from University of Madras, Chennai. He is the Chairman and Managing Director of Riddhi Siddhi Gluco Biols Limited (RSGBL). RSGBL & its Group Companies are engaged in several verticals of business viz. Starch & Allied Chemicals, Newsprint, Writing & Printing Paper, Renewable Energy, Real Estate and Education, with a combined turnover of over ₹ 1000 Crores. During his tenure, he had taken over a few sick units and turned it around successfully in a shortest possible time.

He successfully partnered with "Roquette Freres Limited" of France, a Euro 4 Billion Company & the 3rd largest in the world in the Starch & Derivative Industry and set up a most modern "Corn Processing Complex" in the State of Uttrakhand, India and later hived off the Starch Business of Riddhi Siddhi Gluco Biols Limited to in 2012 to Roquette Freres.

He is President of JITO Apex where he has spearheaded highly successful membership drive almost doubling the membership strength of organization, as well as huge surge of various initiatives like JATF, Shraman Arogyam, JBN etc. He is Vice Chairman of Shri Jain Shwetambar Nakoda Parshwnath Tirth Trust where many new initiatives have been taken to further increase the footprints at this globally renowned ancient temple. He is also Chairman of Rajasthan Sewa Samiti, Ahmedabad where they have taken up the project of creating a new state of the art complex to provide world class education to more than 4500 students at highly subsidized fees.

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

Ms. Reena Bhagwati is appointed as an independent Director on the Board of Company. She holds Directorship in the engineering companies of the Bhagwati Group – Bhagwati Spherocast Private Limited, Bhagwati Autocast Limited and Bhagwati Filters Private Limited. She heads them by providing strategic Fiscal and Operations leadership. She has an MBA from Carnegie Mellon University USA. She is deeply involved in Philanthropy and has started and runs her own NGO. She has held professional positions and served as the 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 and is a continuing Member of the Governing Body of Ahmedabad Management Association. She holds Directorship in various companies - Symphony Limited, 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:

In terms of the requirement of the Listing Regulation, the Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company, which are currently available with the Board:

Business Experience	Domain Knowledge in Business and understanding of Established leadership skills in strategic planning, succession planning, driving change and long- term growth and guiding the Company towards its vision, mission and values. Critically analysing complex and detailed information and developing innovative solutions and striking a balance between agility and consistency
Financial Experience and Risk Oversight	Financial metrics to measure its performance, accurate Financial Reporting, Robust Auditing, and understanding of Finance and Financial Reporting Processes. Oversee various risks facing and ensure that appropriate policies and procedures are in place to effectively manage risk.
Governance & Compliance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.
Technology and Innovation	An appreciation of emerging trends in product design and development, research, disruptions in technology and in business models.

Sr. No.	Name of Director	Skills/Expertise/Competencies
1	Sanjaybhai S. Lalbhai	Business Experience Financial Experience and Risk Oversight Governance & Compliance Technology and Innovation
2	Punit S. Lalbhai	Business Experience Financial Experience and Risk Oversight Governance & Compliance Technology and Innovation
3	Samvegbhai Lalbhai	Business Experience Financial Experience and Risk Oversight Governance & Compliance
4	Arpit Patel	Financial Experience and Risk Oversight Governance & Compliance
5	Ganpatraj Chowdhary	Business Experience Governance & Compliance
6	Reena Bhagwati	Business Experience Governance & Compliance Technology and Innovation

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 (CFO) 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 2019-20, 4 Board Meetings were held on 20th May 2019, 7th August 2019, 24th October 2019 and 7th February 2020. 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 on 7th August 2019
		Held during the tenure	Attended	
1	Mr. Sanjay S. Lalbhai	4	4	Yes
2	Mr. Punit S. Lalbhai	4	4	Yes
3	Mr. Samvegbhai Lalbhai	4	2	Yes
4	Mr. Arpit Patel	4	4	Yes
5	Mr. Ganpatraj Chowdhary	4	2	No
6	Ms. Reena Bhagwati	4	2	No

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 fulfills 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 7th February 2020. Two 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. Samvegbhai Lalbhai	1344	Ms. Reena Bhagwati	25888

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> 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 further amended pursuant to the SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019 dated September 17, 2019 (the "Insider Trading Amendment") (together, the "Insider Trading Regulations") which will come into force on and from December 25, 2019 the Company has amended and adopted revised Code for Prohibition of Insider Trading.

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

As on 31st March 2020, 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 of the committee inter alia, include the following:

(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, 4 Audit Committee Meetings were held on 20th May 2019, 7th August 2019, 24th October 2019 and 7th February 2020.The Attendance of Members at meetings were as under:

Sr. No.	Name of Committee members	Category	Position	Number of Meetings held	Number of Meetings attended
1	Mr. Arpit Patel	Independent Director	Chairman	4	4
2	Mr. Ganpatraj Chowdhary	Independent Director	Member	4	2
3	Ms. Reena Bhagwati	Independent Director	Member	4	2

4 NOMINATION AND REMUNERATION COMMITTEE

As on 31st March 2020, 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 Terms of reference of the committee inter alia, include the following:

(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, 2 Nomination and Remuneration Committee meeting was held on 20th May 2019 and 24th October 2019. The Attendance of Members at meetings were as under:

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

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 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 for the FY 2019-20 are as under:

Sr. No.	Name of Directors	Sitting Fees (Amount in ₹)
1	Mr. Sanjay S. Lalbhai	40,000
2	Mr. Punit S. Lalbhai	90,000
3	Mr. Samvegbhai Lalbhai	20,000
4	Mr. Arpit Patel	1,40,000
5	Mr. Ganpatraj Chowdhary	70,000
6	Ms. Reena Bhagwati	40,000

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 - Employee Stock Option Scheme - 2018 ("TAEL ESOS - 2018"), The Anup Engineering Limited - Employee Stock Option Scheme (Demerger) - 2018 ("TAEL ESOS (Demerger) - 2018") and ANUP - Employee Stock Option Scheme - 2019 ("ANUP ESOS 2019") 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> Investor> Policies.

5 STAKEHOLDERS' RELATIONSHIP COMMITTEE

As on 31st March 2020, the Stakeholders' Relationship Committee ("SRC") of the Company comprised of 3 directors out of which 2 Directors are Independent Directors and 1 Non-Executive Director viz. Mr. Punit S. Lalbhai, Mr. Arpit Patel and Mr. Ganpatraj Chowdhary. Mr. Punit S. Lalbhai, Non-Executive Director, acts as Chairman of the Committee.

5.1 Terms of reference of the Committee inter alia, include the following:

(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 andShare 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 **The Composition of the Committee as at 31st March 2020 and the details of Members participation at the Meetings of the Committee are as under:**

During the year, SRC meeting was held on 7th August 2019. The Attendance of Members at meetings was as under:

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	--

5.3 **Name and designation of Compliance Officer:**

Mr. Chintankumar Patel

Company Secretary

5.4 **Details of Complaints / Queries received and redressed during 1st April 2019 to 31st Match 2020**

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	04	04	Nil

6 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As on 31st March 2020, 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. Punit S. Lalbhai, Mr. Arpit Patel and Mr. Ganpatraj Chowdhary. 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 Committee was held on two times on 20th May 2019 and 24th October 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	2	2
2	Mr. Arpit Patel	Independent Director	Member	2	2
3	Mr. Ganpatraj Chowdhary	Independent Director	Member	2	1

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, Six 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	6	6
2	Mr. Punit S. Lalbhai	Non-Executive Director	Member	6	6

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
2018-19	Wednesday 7th August 2019 09.30 a.m.	2nd Annual General Meeting J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380015	- Approval of Employee Stock Option Scheme 2019 to the eligible employees of the Company. - Approval of Employee Stock Option Scheme 2019 to the eligible employees of the Holding Company and Subsidiary Companies of the Company
2017-18	Saturday 29th September 2018 10.00 a.m.	1st Annual General Meeting Behind 66 KV Elec. Sub-Station, Odhav Road, Ahmedabad – 382415	- Approval under Section 180(1)(c) of the Companies Act, 2013 for borrowing power upto ₹ 500 Crores; - 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; - Approval under Section 186 of the Companies Act, 2013 for Intercorporate loan and borrowings upto ₹ 500 Crores; - To Keep register of members & others at place other than the registered office of the company; - To adopt new set of Article of Association of the company.

8.2 The last three Extra Ordinary General Meeting (EOGM) were held as under:

F.Y.	Day, Date and Time	Meeting and Venue	Details of Special Resolution
2019-20		--	--
2018-19	Monday 30th July 2018 11:00 a.m.	Arvind Mills Premises, Naroda Road, Ahmedabad-380025	To increase the aggregate limit for registered Foreign Portfolio Investors ("RFPI") and Foreign Institutional Investors ("FIIs") investment in the Equity Share Capital of the company.
2017-18	Saturday 16th September 2017 10.00 a.m.	Arvind Mills Premises, Naroda Road, Ahmedabad-380025	To Increase of Authorised Share Capital of the company.

8.3 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> 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 and investors conference call are posted on the Company's website.

10 GENERAL SHAREHOLDER INFORMATION

10.1 Annual General Meeting:

Date	26th September 2020
Time	11:00 a.m.
Venue	Annual General Meeting through Video Conferencing / Other Audio Visual Means facility [Deemed Venue for Meeting: Registered Office: Behind 66 KV Elec. Sub-Station, Odhav Road, Ahmedabad- 382415]

10.2 Financial Calendar (Tentative):

The Financial Year of the Company is for a period of 12 months from 1st April to31st March.

First quarter results	First week of August, 2020
Second Quarter/Half Yearly Results	Last week of October, 2020
Third Quarter Results	Last week of January, 2021
Fourth quarter Results / Year end Results	First week of May, 2021

10.3 Book Closure: Saturday, 19th September 2020 to Saturday, 26th September 2020 (Both Days inclusive).

10.4 Dividend payment Date: The dividend if declared at the Annual General Meeting will be paid on or after 26th September 2020.

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 2020-21 to each stock Exchanges.

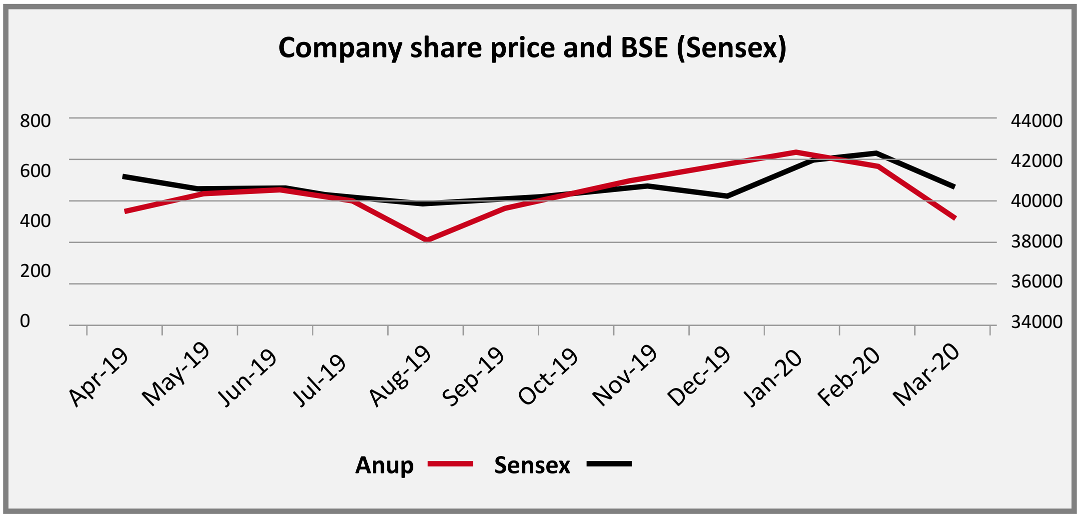
10.6 Market Price data:

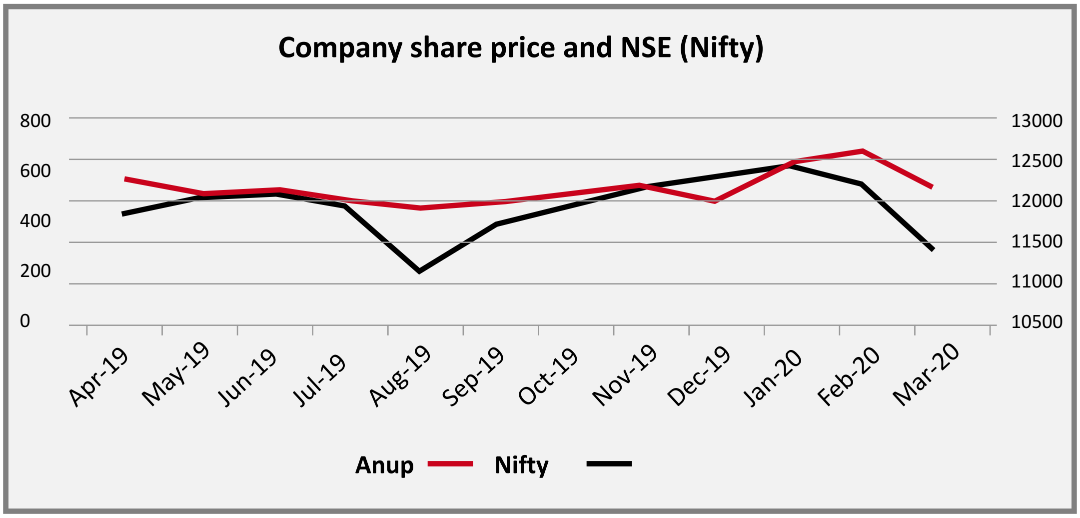
The Market and volume of the Company's share traded on BSE Limited and National Stock Exchange of India Limited during the financial year 2019-20 were as under:

Weekly	Share Price on BSE		Volumes	BSE Sensex		Share Price on NSE		Volumes	NSE (Nifty)	
	High (₹)	Law (₹)	No. of Shares	High (₹)	Law (₹)	High (₹)	Law (₹)	No. of Shares	High (₹)	Law (₹)
Apr-19	574.00	463.00	4427	39487.45	38460.25	574.95	455.00	467090	11856.15	11549.10
May-19	524.00	351.40	5315	40124.96	36956.10	527.90	351.00	843745	12041.15	11108.30
Jun-19	520.00	437.00	1152	40312.07	38870.96	515.55	448.00	257244	12103.05	11625.10
Jul-19	495.00	437.20	902	40032.41	37128.26	495.95	442.50	144149	11981.75	10999.40
Aug-19	465.00	374.00	1600	37807.55	36102.35	467.05	375.05	303315	11181.45	10637.15
Sep-19	483.95	370.00	2874	39441.12	35987.80	483.25	372.50	589016	11694.85	10670.25
Oct-19	504.00	431.00	1995	40392.22	37415.83	505.00	435.00	216385	11945.00	11090.15
Nov-19	540.90	435.00	4594	41163.79	40014.23	548.00	433.00	470745	12158.80	11802.65
Dec-19	490.00	420.00	4302	41809.96	40135.37	489.70	418.90	282517	12293.90	11832.30
Jan-20	630.00	465.00	8998	42273.87	40476.55	630.00	464.00	794825	12430.50	11929.60
Feb-20	676.00	495.00	11240	41709.30	38219.97	678.65	486.15	688879	12246.70	11175.05
Mar-20	532.75	219.05	3335	39083.17	25638.90	535.00	225.05	446965	11433.00	7511.10

Particulars	BSE	NSE
Closing share price as on March 31, 2020 (₹)	311.45	320.00
Market Capitalisation as on March 31, 2020 (₹in Crores)	317.66	326.28

Performance of the Company's equity shares (closing share price) in comparison to BSE (Sensex) and NSE (Nifty)





10.7 Registrars and Transfer Agents:

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:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Directors and certain Company officials (including Chief Financial Officer and Company Secretary) are authorised by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

(ii) Share Transfer Details for the period from 1st April2019 to 31st March 2020:

Transactions	Physical
Number of Transfers	74
Average Number of Transfers per month	6
Number of Shares Transferred	1742
Average Number of Shares Transferred per month	145
Number of Pending Share Transfers	Nil

(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 2020:

Sr. No.	Category	No. of shares held	Percentage of Shareholding
1	Promoters and Promoter Group	4253215	41.70
2	Mutual Funds and UTI	644005	6.31
3	Financial Institutions, Banks, Insurance Companies and Central/State Government	290669	2.85
4	Foreign Portfolio Investors, Foreign Institutional Investors, NRIs and Foreign Banks	338907	3.32
5	Alternate Investment Funds	600092	5.88
6	NBFCs registered with RBI	258	0.00
7	Bodies Corporate	710298	6.96
8	Individuals	2848795	27.93
9	IEPF	4009	0.04
10	Trusts	239689	2.35
11	Hindu Undivided Family	126796	1.24
12	Non-Resident Indian (NRI)	123861	1.21
13	Clearing Members	18330	0.18
14	Overseas Bodies Corporates	107	0.00
15	Foreign Nationals	487	0.00
Total		**10199518**	**100.00**

10.10 Distribution of shareholding as on 31st March 2020:

Share Range		Number of Shareholders	% of total Shareholders	No. of Shares	% of Issued Capital
From	To				
1	500	101798	99.07	1270327	12.45
501	1000	438	0.43	321707	3.15
1001	2000	236	0.23	351839	3.45
2001	3000	74	0.07	183392	1.80
3001	4000	50	0.05	175639	1.72
4001	5000	22	0.02	100298	0.98
5001	10000	59	0.06	432524	4.24
10001	**********	72	0.07	7363792	72.20
Total		**102749**	**100.00**	**10199518**	**100.00**

10.11 Dematerialisation of shares and liquidity:

Demat ISIN: Equity Shares fully paid: INE294Z01018

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 31stMarch 2020, 97.82% of the total Equity Share Capital of the Company are in Dematerialized. 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 2019-20, the Company has not issued Global Depository Receipts (GDR) or American Depository Receipts (ADR) or Warrants or any Convertible Instruments except stock option granted to the eligible employee(s) under The Anup Engineering Limited (TAEL) - Employee Stock Option Scheme – 2018 and The Anup Engineering Limited (TAEL) Employee Stock Option Scheme (DEMERGER) – 2018 and ANUP - Employee Stock Option Scheme – 2019.

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 2020. Care Ratings Limited has reaffirmed both the Long Term and Short Term rating of the Company as CARE A+; Stable and CARE A1+, 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 Electric 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:

The Anup Engineering Limited	**Link Intime India Private Limited**
(Formerly Known as Anveshan Heavy Engineering Limited) Behind 66 KV Elec. Sub-Station, Odhav Road, Ahmedabad- 382415 Phone No. :079-2287 2823, 2287 0622 Email: investorconnect@anupengg.com Website: www.anupengg.com	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

11 OTHER DISCLOSURE

111.1 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 2019-20 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 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 Whistleblower Policy (WB Policy) 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

Toll Free No.: 1800 200 8301

Dedicated Email ID: 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> 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 Certification from Company Secretary in Practice:

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 F.Y. 2019-20.

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 F.Y. 2019-20, 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₹ 12.20 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 2019-20:	Nil
Number of complaints disposed off during the financial year 2019-20:	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:

a. **The Board:** The Chairman of the Company is Non-Executive Director.

b. **Shareholder Rights:** Half-yearly and other Quarterly financial statements are published in newspapers, uploaded on company's website www.anupengg.com> Investors > Results and same are not being sent to the shareholders.

c. **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.

d. **Separate posts of Chairperson and Chief Executive Officer:** Mr. Sanjay S. Lalbhai is the Chairman and Mr. Rishi Roop Kapoor is Chief Executive Officer (CEO) of the Company.

e. **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 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 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 24th June 2020 and the same was approved.

For and on behalf of the Board

Place: Ahmedabad
Date: 24th June 2020

Sanjay S. Lalbhai
Chairman

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 2020 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 violate 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	**Rishi Roop Kapoor**	**Rakesh Kumar Poddar**
Date: 24th June 2020	Chief Executive Officer	Chief Financial Officer

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..

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 2020.

Place: Ahmedabad	**Rishi Roop Kapoor**
Date: 24th June 2020	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)

Ahmedabad

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, 2020, 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, 2020.

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
UDIN: 20100892AAAANE1953

Place: Ahmedabad
Date:24th June 2020

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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 Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of The Anup Engineering Limited (Formerly Known as Anveshan Heavy Engineering Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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 standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the 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, 2020, 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 standalone 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 Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone 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 standalone financial statements.

Emphasis of Matter

We draw attention to note no. 41 of the Financial statements, which describes that based on current indicators of future economic conditions, the Company expects to recover the carrying amount of all its assets and revenue recognised. The impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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	**Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)** The application of the 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, 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. Refer Note 16 to the Financial Statements	**<u>Principal Audit Procedures</u>** Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. • 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. • Selected a sample of continuing and new contracts and performed the following procedures: - Read, analysed and identified the distinct performance obligations in these contracts. - Compared these performance obligations with that identified and recorded by the Company. - 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.

Sr. No.	Key Audit Matter	Auditor's Response
		- Considered the terms of contracts for determination of Principal versus agent consideration, recognition of contract assets and refund liability including historical trend of returns. - Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. - Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. - 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.

Information Other than the Standalone 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 standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by 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 standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to 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 on its financial position in its standalone 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
Membership No.100892
UDIN: 20100892AAAANC1588

Place : Ahmedabad
Date : 24th June 2020

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 (Formerly known as Anveshan Heavy Engineering Limited) (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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, 2020, 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 : 24th June 2020

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 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 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, Custom Duty, Goods and Service Tax, Cess and other material statutory dues applicable to it.

(b) 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, 2020 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, no disputed amounts are payable as at March 31, 2020.

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 or by way of term loan.

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 standalone 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 : 24th June 2020

Standalone Balance Sheet as at March 31, 2020

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	14,413.99	14,234.73
(b) Capital work-in-progress	-	1,228.55	168.67
(c) Intangible assets	6	2,712.59	3,068.17
(d) Financial assets			
(i) Investments	7 (a)	2,034.00	-
(i) Loans	7 (c)	-	4,436.00
(ii) Other financial assets	7 (f)	70.28	64.65
(e) Other non-current assets	8	126.87	28.48
Total non-current assets (A)		**20,586.28**	**22,000.70**
Current assets			
(a) Inventories	9	10,618.17	8,846.32
(b) Financial assets			
(i) Investments	7 (a)	2,389.31	-
(ii) Trade receivables	7 (b)	6,438.51	6,953.28
(iii) Cash and cash equivalents	7 (d)	189.30	0.66
(iv) Bank balance other than (iii) above	7 (e)	13.39	17.74
(v) Other financial assets	7 (f)	3.47	5.31
(c) Current tax assets (Net)	10	345.87	64.68
(d) Other current assets	8	1,622.59	1,752.60
Total current assets (B)		**21,620.61**	**17,640.59**
Total Assets (A) + (B)		42,206.89	39,641.29
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	1,019.95	1,019.40
(b) Other equity	12	31,271.51	27,802.26
Total equity (A)		**32,291.46**	**28,821.66**
Liabilities			
Non-current liabilities			
(a) Deferred tax liabilities (net)	25	1,508.28	1,260.69
Total non-current liabilities (B)		**1,508.28**	**1,260.69**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13 (a)	-	738.19
(ii) Trade payables	13 (b)	-	-
Total oustanding dues of micro enterpises and small enterprises		-	-
Total oustanding dues of crediors other than micro enterpises and small enterprises		2,319.27	4,204.93
(iii) Other financial liabilities	13 (c)	229.44	141.64
(b) Short-term provisions	14	87.96	41.14
(c) Other current liabilities	15	5,770.48	4,433.04
Total current liabilities (C)		**8,407.15**	**9,558.94**
Total equity and liabilities (A) + (B) + (C)		**42,206.89**	**39,641.29**

See accompanying notes forming part of the standalone 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 : 24th June 2020

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

Sanjay S. Lalbhai
Chairman
DIN: 00008329

Punit S. Lalbhai
Director
DIN: 05125502

Rakesh Kumar Poddar
Chief Financial Officer

Chintankumar Patel
Company Secretary

Place : Ahmedabad
Date : 24th June 2020

Standalone Statement of profit and loss for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Notes	Year Ended March 31, 2020	Year Ended March 31, 2019
I. INCOME			
(a) Revenue from operations	16	24,546.14	24,299.19
(b) Other income	17	406.66	458.15
Total income		**24,952.80**	**24,757.34**
II. EXPENSES			
(a) Cost of raw materials and accessories consumed	18	14,292.96	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	(3,255.93)	(536.51)
(d) Employee benefits expense	21	1,619.98	1,545.52
(e) Finance costs	22	75.89	179.85
(f) Depreciation and amortisation expense	23	891.83	793.00
(g) Other expenses	24	5,027.83	4,784.96
Total expenses		**18,652.56**	**18,878.37**
III. Profit before exceptional items and tax (I-II)		**6,300.24**	**5,878.97**
IV. Exceptional items		-	-
V. Profit before tax (III-IV)		**6,300.24**	**5,878.97**
VI. Tax expense	25		
(a) Current tax		1,752.00	1,492.00
(b) Deferred tax (Credit) / charge		251.40	188.38
Total tax expense		**2,003.40**	**1,680.38**
VII. Profit for the year (V-VI)		**4,296.84**	**4,198.59**
VIII. Other comprehensive income / (Loss)			
Items that will not be reclassified to Profit and Loss			
(i) Remeasurement gain/(loss) of defined benefit plans		(13.07)	(10.91)
(ii) Income tax related to above item		3.81	3.18
Net other comprehensive income / (Loss)		(9.26)	(7.73)
Total other comprehensive income / (Loss) for the year, net of tax (VIII)		**(9.26)**	**(7.73)**
IX. Total comprehensive income for the year, net of tax (VII+VIII)		**4,287.58**	**4,190.86**
X. Earning per equity share [nominal value per share ₹10]	32		
Basic		42.13	41.19
Diluted		41.97	40.85

See accompanying notes forming part of the standalone financial statements

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DIN: 05125502

Rakesh Kumar Poddar
Chief Financial Officer

Chintankumar Patel
Company Secretary

Place : Ahmedabad
Date : 24th June 2020

Standalone Statement of cash flows for the year ended March 31, 2020

(₹ in Lakhs)

	Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
A	**Cash Flow from Operating activities**				
	Profit before taxation		**6,300.24**		**5,878.97**
	Adjustments to reconcile profit before tax to net cash flows:				
	Depreciation /Amortization	891.83		793.00	
	Interest Income	(268.29)		(456.78)	
	Gain on mutual fund investments	(75.37)		-	
	Interest and Other Borrowing Cost	75.89		179.85	
	Sundry Credit Balances appropriated	(22.68)		(0.07)	
	Loss/(Profit) on sale of Property, Plant & Equipment	(0.09)		5.59	
	Share Based Payment Expense	29.39		18.94	
			630.68		**540.53**
	Operating Profit before Working Capital Changes		**6,930.92**		**6,419.50**
	Adjustments for changes in working capital :				
	(Increase)/Decrease in inventories	(1,771.85)		(5,285.12)	
	(Increase)/Decrease in trade receivables	514.77		2,391.50	
	(Increase)/Decrease in other financial assets	(3.51)		(5.56)	
	(Increase)/Decrease in other assets	31.62		(548.69)	
	Increase/(Decrease) in trade payables	(1,862.98)		328.87	
	Increase/(Decrease) in other financial liabilities	(20.23)		119.89	
	Increase/(Decrease) in other current liabilities	1,337.44		3,646.74	
	Increase/(Decrease) in provisions	33.75		15.92	
	Net Changes in Working Capital		**(1,740.99)**		**663.55**
	Cash Generated from Operations		**5,189.93**		**7,083.05**
	Direct Taxes paid (Net of Tax refund)		(2,033.19)		(1,568.92)
	Net Cash flow from Operating Activities		**3,156.74**		**5,514.13**
B	**Cash Flow from Investing Activities**				
	Purchase of Property, Plant & Equipment	(1,788.04)		(4,596.87)	
	Proceeds from disposal of Property, Plant & Equipment	12.74		735.18	
	Changes in other bank balances	4.35		42.79	
	Purchase of investments	(4,347.94)		-	
	Loans (given)/repayment received (net)	4,436.00		(2,417.24)	
	Interest Received	268.01		456.78	
	Net cash flow from / (used in) Investing Activities		**(1,414.88)**		**(5,779.36)**
C	**Cash Flow from Financing Activities**				
	Proceeds from Issue of Share Capital	13.56		-	
	Proceeds from short term Borrowings	-		443.31	
	Repayment of short term borrowings	(738.19)		-	
	Dividend paid	(702.99)		-	
	Dividend Distribution tax paid	(146.76)		-	
	Proceeds for fractional entitlement	97.05		-	
	Interest Paid	(75.89)		(179.85)	
	Net Cash flow used in Financing Activities		**(1,553.22)**		**263.46**
	Net Increase/(Decrease) in cash and cash equivalents		**188.64**		**(1.77)**
	Cash & Cash equivalent at the beginning of the year		**0.66**		**2.43**
	Cash & Cash equivalent at the end of the year		**189.30**		**0.66**

Standalone Statement of cash flows for the year ended March 31, 2020

Reconciliation of cash and cash equivalents (₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash and cash equivalents :		
Cash on Hand	0.42	0.06
Balances with Banks*	188.88	0.60
Cash and cash equivalents as per Balance Sheet (Refer Note 7 (d))	**189.30**	**0.66**
Cash and cash equivalents as per Cash flow Statement	**189.30**	**0.66**

*Includes balance in unpaid dividend account ₹ 10.98 lakhs (Previous year: ₹ Nil) & unpaid fractional share account ₹ 97.05 lakhs (Previous year: ₹ Nil) not available for use by the Company.

See accompanying notes forming part of the standalone financial statements

Disclosure under Para 44A as set out in Ind As 7 on cash flow statements under Companies (Indian Accounting Standards) Rules,2015 (as amended)

Particulars of liabilities arising from financing activity	Note No.	As at April 1, 2019	Net cash flows	Non Cash Changes: Adjustment on account of Business Combination	Non Cash Changes: Effect of change in Foreign Currency Rates	Non Cash Changes: Other changes	As at March 31, 2020
As at March 31, 2020							
Borrowings:							
Short term borrowings	13(a)	738.19	(738.19)	-	-	-	-
Total		**738.19**	**(738.19)**	**-**	**-**	**-**	**-**

Particulars of liabilities arising from financing activity	Note No.	As at April 1, 2018	Net cash flows	Non Cash Changes: Adjustment on account of Business Combination	Non Cash Changes: Effect of change in Foreign Currency Rates	Non Cash Changes: Other changes	As at March 31, 2019
As at March 31, 2019							
Borrowings:							
Short term borrowings	13(a)	-	443.31	294.88	-	-	738.19
Total		-	**443.31**	**294.88**	**-**	**-**	**738.19**

Note:

1 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 : 24th June 2020

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

Sanjay S. Lalbhai
Chairman
DIN: 00008329

Punit S. Lalbhai
Director
DIN: 05125502

Rakesh Kumar Poddar
Chief Financial Officer

Chintankumar Patel
Company Secretary

Place : Ahmedabad
Date : 24th June 2020

Standalone Statement of changes in Equity for the year ended March 31, 2020

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, 2019	5.00	1,014.40	1,019.40
For the year ended March 31, 2020	1,019.40	0.55	1,019.95

B. Other equity

Particulars	Reserves and Surplus				Total other equity
	Capital Reserve	Share based payment reserve	Securities premium	Retained Earnings	
		Note 33			
Balance as at April 1, 2018	-	-	-	(1.07)	(1.07)
Profit for the year	-		-	4,198.59	4,198.59
Other comprehensive income for the year	-	-	-	(7.73)	(7.73)
Total Comprehensive income for the year	**-**	**-**	**-**	**4,190.86**	**4,190.86**
Add: Issue of Shares under Employee Stock Option Plan	-	18.94	-	-	18.94
Add: Received during the year	-	-	51,724.16	-	51,724.16
Less: Utilized during the year (refer note 40)	-	-	(30,590.68)	-	(30,590.68)
Add: Adjustment due to business combination (refer note 40)	5.00	8.11	-	2,446.94	2,460.05
Balance as at March 31, 2019	**5.00**	**27.05**	**21,133.48**	**6,636.73**	**27,802.26**
Balance as at April 1, 2019	**5.00**	**27.05**	**21,133.48**	**6,636.73**	**27,802.26**
Profit for the year	-	-	-	4,296.84	4,296.84
Other comprehensive income for the year	-	-	-	(9.26)	(9.26)
Total Comprehensive income for the year	**-**	**-**	**-**	**4,287.58**	**4,287.58**
Add: Issue of Shares under Employee Stock Option Plan	-	29.39	-	-	29.39
Less: Transfer to Securities premium account		(0.78)			(0.78)
Add: Received during the year	-		13.01	-	13.01
Add: Transfer from Share based payment reserve	-	-	0.78	-	0.78
Less: Dividend paid during the year	-	-	-	(713.97)	(713.97)
Less: Dividend distribution tax on Dividend paid	-	-	-	(146.76)	(146.76)
Balance as at March 31, 2020	**5.00**	**55.66**	**21,147.27**	**10,063.58**	**31,271.51**

See accompanying notes forming part of the standalone financial statements

In terms of our report attached
For, Sorab S. Engineer & Co.
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For and on behalf of the board of directors of
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DIN: 05125502

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Chief Financial Officer

Chintankumar Patel
Company Secretary

Place : Ahmedabad
Date : 24th June 2020

Notes to the Standalone Financial Statements for the year ended March 31, 2020

1. Corporate Information

The Anup Engineering Limited (Formerly Known as Anveshan Heavy Engineering Limited) ("the Company") is engaged in manufacturing and fabrication of process equipment 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") applicable in India. Its equity shares are listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE"). The registered office of the Company is located at Odhav, Ahmedabad.

The standalone financial statements have been considered and approved by the Board of Directors at their meeting held on 24th June 2020

2. Statement of Compliance and Basis of Preparation

The standalone 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 standalone 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, 2020 have been prepared in accordance with Ind AS 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 standalone 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 standalone 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 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.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

3.4. Foreign currencies

The Company's functional and presentation currency is Indian Rupee. Transactions in foreign currencies are initially recorded by 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 standalone 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 standalone 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 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, 2020, 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 Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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

Notes to the Standalone Financial Statements for the year ended March 31, 2020

capitalised represents the actual borrowing costs incurred. Where 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 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.

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.

Revenue from rendering of services is recognised over time as and when the customer receives the benefit of the company's performance and the Company has an enforceable right to payment for services transferred.

Export Incentive

Export incentives under various schemes notified by government 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 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:

(a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;

(b) 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 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

Notes to the Standalone Financial Statements for the year ended March 31, 2020

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 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 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

Notes to the Standalone Financial Statements for the year ended March 31, 2020

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 standalone 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,
- 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 standalone 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 standalone 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 standalone 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 standalone financial statements.

Further details about defined benefit obligations are provided in Note 30.

(e) 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.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

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.

Notes to the Standalone 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
Gross Carrying Amount									
As at April 1, 2018	-	-	-	-	-	-	-	-	-
Additions due to Business Combination									
(refer note 40)	5.72	4,917.60	1,663.98	4,516.43	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	-	68.90	-	803.65	5.80	32.42	-	-	910.77
As at April 1, 2019	**3,307.67**	**4,848.70**	**1,968.00**	**4,526.43**	**84.09**	**198.07**	**39.14**	**38.04**	**15,010.14**
Additions	294.04	-	93.88	297.57	8.36	15.87	10.38	8.06	728.16
Deductions (refer note 1)	-	17.22	-	13.70	0.36	-	-	-	31.28
As at March 31, 2020	**3,601.71**	**4,831.48**	**2,061.88**	**4,810.30**	**92.09**	**213.94**	**49.52**	**46.10**	**15,707.02**
Accumulated Depreciation and Impairment									
As at April 1, 2018	-	-	-	-	-	-	-	-	-
Additions due to Business Combination									
(refer note 40)	-	-	96.95	271.71	27.13	35.21	13.19	13.45	457.64
Depreciation for the year	-	-	46.48	321.97	8.84	26.86	5.40	9.32	418.87
Deductions	-	-	-	83.16	3.63	13.22	1.09	-	101.10
As at April 1, 2019	**-**	**-**	**143.43**	**510.52**	**32.34**	**48.85**	**17.50**	**22.77**	**775.41**
Depreciation for the year	-	-	60.15	408.20	8.93	24.23	7.86	9.66	519.03
Deductions	-	-		1.25	0.16				1.41
As at March 31, 2020	**-**	**-**	**203.58**	**917.47**	**41.11**	**73.08**	**25.36**	**32.43**	**1,293.03**
Net Carrying Amount									
As at March 31, 2020	**3,601.71**	**4,831.48**	**1,858.30**	**3,892.83**	**50.98**	**140.86**	**24.16**	**13.67**	**14,413.99**
As at March 31, 2019	3,307.67	4,848.70	1,824.57	4,015.91	51.75	149.22	21.64	15.27	14,234.73

Notes:

1. Deduction of leasehold land represents amortisation.

2. For Properties pledged as security, refer Note 13 (a).

Notes to the Standalone Financial Statements

(₹ in Lakhs)

Note 6 : Intangible assets

Particulars	Computer Software	Patent & Technical Knowhow	Licenses	Total
Gross Carrying Amount				
As at April 1, 2018				-
Additions due to Business Combination (refer note 40)	44.20	11.37	3,500.00	3,555.57
Additions	-	-	-	-
Deductions	-	-	-	-
As at April 1, 2019	**44.20**	**11.37**	**3,500.00**	**3,555.57**
Additions	-	-	-	-
Deductions	-	-	-	-
As at March 31, 2020	**44.20**	**11.37**	**3,500.00**	**3,555.57**
Accumulated Depreciation				
As at April 1, 2018	**-**	**-**	**-**	**-**
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	-	-	-	-
As at April 1, 2019	**39.56**	**10.34**	**437.50**	**487.40**
Amortisation for the year	4.55	1.03	350.00	355.58
Deductions	-	-	-	-
As at March 31, 2020	**44.11**	**11.37**	**787.50**	**842.98**
Net Carrying Amount				
As at March 31, 2020	**0.09**	**-**	**2,712.50**	**2,712.59**
As at March 31, 2019	4.64	1.03	3,062.50	3,068.17

Note 7 : Financial assets

7 (a) Investments

Particulars	Face Value per Share (in ₹)	No. of Shares		Amount	
		As at March 31, 2020	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019
Non - Current					
a) Investments in equity shares (fully paid up)					
Subsidiaries - measured at cost (unquoted)					
Anup Heavy Engineering Limited	10	10,000	-	1.00	-
Total Non-current Investments in equity shares				**1.00**	-
b) Investments in mutual funds - measured at fair value through profit & loss (unquoted)				2,033.00	-
Total Investments in mutual funds				**2,033.00**	-
Total Non-Current Investments (A)				**2,034.00**	-
Current					
a) Investments in mutual funds - measured at fair value through profit & loss (unquoted)				2,389.31	-
Total Current Investments (B)				**2,389.31**	-
Total (A) + (B)				**4,423.31**	-

(₹ in Lakhs)

7 (b) Trade receivables - Current

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good	**6,438.51**	6,953.28
Total Trade receivables	**6,438.51**	6,953.28
Receivables from directors or from firm/private company where director is interested	-	-

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 (c) Loans

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good unless otherwise stated		
Non-current		
Inter Corporate Deposits	**-**	4,436.00
Total	**-**	4436.00
Loan to directors or to firm/private company where director is interested	**-**	-

7 (d) Cash and cash equivalent

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	0.42	0.06
Balance with Banks		
In Current accounts	0.79	0.60
In Cash credit accounts	80.06	-
Unpaid Dividend account	10.98	-
Unpaid Fractional Share account	97.05	-
Total cash and cash equivalents	**189.30**	0.66

7 (e) Other bank balance

Particulars	As at March 31, 2020	As at March 31, 2019
Deposits held as Margin Money*	**13.39**	17.74
Total other bank balances	**13.39**	17.74

* Under lien with bank as Security for Guarantee given by the bankers

Notes to the Standalone Financial Statements

(₹ in Lakhs)

7 (f) Other financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good unless otherwise stated		
Non-current		
Security deposits	**70.28**	64.65
Total Non-current Other Financial Asset (A)	**70.28**	64.65
Current		
Security deposits	**0.72**	2.84
Interest receivable	**2.75**	2.47
Total Current Other Financial Asset (B)	**3.47**	5.31
Total (A) + (B)	**73.75**	69.96

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, 2020	As at March 31, 2019
Non-Current		
Capital Advances	**111.72**	28.48
Pre-paid expense	**15.15**	-
	126.87	28.48
Current		
Advance to suppliers	**1,353.94**	601.10
Balance with Government Authorities (Refer Note below (i))	**169.62**	775.44
Export incentive receivable	**64.63**	330.33
Pre-paid expense	**34.40**	45.73
	1,622.59	1,752.60
Total	**1,749.46**	1,781.08

Advance to directors or to firm/private company where director is interested	-	-

(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).

Note 9 : Inventories (At lower of cost and net realisable value)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials	**4,846.21**	6,314.86
Stores and spares	**743.76**	759.19
Work-in-progress	**5,026.81**	1,770.88
Finished goods	**1.39**	1.39
Total	**10,618.17**	8,846.32

Inventories are hypothecated as security for borrowings as disclosed under Note - 13(a).

Notes to the Standalone Financial Statements

Note 10 : Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Tax Paid in Advance (Net of Provision)	345.87	64.68
Total	**345.87**	**64.68**

Note 11 : Equity share capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	₹ in Lakh	No. of shares	₹ in Lakh
Authorised share capital				
Equity shares of ₹ 10 each	6,52,50,000	6,525.00	6,52,50,000	6,525.00
Issued, subscribed and paid-up share capital				
Equity shares of ₹ 10 each	1,01,99,518	1,019.95	1,01,93,962	1,019.40
Total	1,01,99,518	1,019.95	1,01,93,962	1,019.40

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	₹ in Lakh	No. of shares	₹ in Lakh
Outstanding at the beginning of the year	1,01,93,962	1,019.40	50,000	5.00
Add: Issued during the year	5,556	0.55	1,01,93,962	1,019.40
Less: Adjustment due to Business Combination (Refer note 40)	-	-	50,000	5.00
Outstanding at the end of the year	1,01,99,518	1,019.95	1,01,93,962	1,019.40

(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, 2020		As at March 31, 2019	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Aura Securities Private Limited	35,51,617	34.82%	35,51,617	34.84%
Hdfc Trustee Company Ltd - A/C Hdfc Mid-Cap Opportunities Fund	5,77,869	5.67%	5,01,325	4.92%

(iv) Equity 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, 2020:

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 (ANUP ESOS 2019).

Notes to the Standalone Financial Statements

Note 12 : Other Equity

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Capital reserve		
Balance as per last financial statements	**5.00**	-
Add: Adjustment due to Business Combination (Refer Note 40)	**-**	5.00
Balance at the end of the year	**5.00**	5.00
(b) Securities premium account		
Balance as per last financial statements	**21,133.48**	-
Add: Received during the year	**13.01**	51,724.16
Add: Transfer from Share based payment reserve	**0.78**	-
Less: Utilized during the year(Refer Note 40)	**-**	(30,590.68)
Balance at the end of the year	**21,147.27**	21,133.48
(c) Share based payment reserve (Refer Note 33)		
Balance as per last financial statements	**27.05**	-
Add: Adjustment due to Business Combination (Refer Note 40)	**-**	8.11
Add: Addition during the year	**29.39**	18.94
Less: Transfer to Securities premium account	**(0.78)**	
Balance at the end of the year	**55.66**	27.05
(d) Retained earnings		
Balance as per last financial statements	**6,636.73**	(1.07)
Add: Adjustment due to business combination (Note 40)	**-**	2,446.94
Add: Profit for the year	**4,296.84**	4,198.59
Less: Dividend paid during the year	**(713.97)**	**-**
Less: Dividend Distribution Tax on Dividend paid	**(146.76)**	-
Add: Other comprehensive income/(loss) for the year	**(9.26)**	(7.73)
Balance at the end of the year	**10,063.58**	6,636.73
Total Other equity	**31,271.51**	27,802.26

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 Standalone Financial Statements

Note 13 : Financial liabilities **(₹ in Lakhs)**

13 (a) Short-term Borrowings

Particulars	**As at March 31, 2020**	As at March 31, 2019
(Secured)(at amortised cost)		
Working Capital Loans repayable on demand from Banks	-	738.19
Total	**-**	738.19

Notes:

Nature of security:

Cash Credit and Other Facilities from Banks

(a) Secured by first pari passu charge on the Company's current assets namely entire stock of raw materials, semi-finished and finished goods, consumable stores and spares and book debts both present and future.

(b) Secured by first/second pari passu charge over all the Immovable Properties relating to Odhav Plant.

Rate of Interest

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, 2020**	As at March 31, 2019
Current		
Acceptances	**-**	-
Other trade payables (Refer note below)		
-Total outstanding dues of micro enterprises and small enterprises	**-**	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	**2,319.27**	4,204.93
Total	**2,319.27**	4,204.93

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:

(a) Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;

(b) Interest paid during the year;

(c) Amount of payment made to the supplier beyond the appointed day during accounting year;

(d) Interest due and payable for the period of delay in making payment;

(e) Interest accrued and unpaid at the end of the accounting year; and

(f) 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.

13 (c) Other financial liabilities

Particulars	**As at March 31, 2020**	As at March 31, 2019
Current		
Payable to employees	**117.41**	136.97
Deposits from customers and others	**4.00**	4.67
Unpaid Dividend	**10.98**	-
Unpaid Fractional Share amount	**97.05**	-
Total	**229.44**	141.64

Note: As on March 31, 2020, there is no amount due and outstanding to be transferred to the Investor Education & Protection Fund (IEPF)

Notes to the Standalone Financial Statements

(₹in Lakhs)

Note 14 : Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Short-term		
Provision for employee benefits (refer Note 28)		
Provision for leave encashment	**57.51**	35.89
Provision for gratuity	**30.45**	5.25
Total	**87.96**	41.14

Note 15 : Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Advance from customers	**5,688.17**	4,397.96
Statutory dues (provident fund and tax deducted at source etc.)	**82.31**	35.08
Total	**5,770.48**	4,433.04

Note 16 : Revenue from operations

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Sale of products	**23,869.10**	20,577.10
Trading Income	**-**	2,227.75
Sale of services	**41.49**	385.45
Other Operating income		
Waste sale	**378.52**	203.74
Gain/(Loss) on forward contracts	**-**	(91.22)
Export incentives	**167.21**	646.58
Foreign exchange fluctuation on vendors and customers	**87.67**	345.15
Others	**2.15**	4.64
Total	**24,546.14**	24,299.19

Disaggregation of Revenue from contracts with customers
Revenue based on Geography

Particulars	Year Ended March 31, 2020	Year Ended March 31, 20191, 2018
Domestic	**21,632.60**	17,300.54
Export	**2,913.54**	6,998.65
Revenue from Operations	**24,546.14**	24,299.19

Notes to the Standalone Financial Statements

(₹ in Lakhs)

Revenue based on business segment

Particulars	**Year Ended March 31, 2020**	Year Ended March 31, 2019
Engineering Products	**24,546.14**	24,299.19
Revenue from Operations	**24,546.14**	24,299.19

Reconciliation of revenue from operation with contract price

Particulars	**Year Ended March 31, 2020**	Year Ended March 31, 2019
Revenue from contract with customers as per the contract price	**24,864.14**	24,647.59
Adjustment made to contract price on account of:		
Sales Return	**318.00**	348.40
Revenue from Operations	**24,546.14**	24,299.19

Note 17 : Other income

Particulars	**Year Ended March 31, 2020**	Year Ended March 31, 2019
Interest income on financial assets measured at amortised cost		
- Fixed Deposits	**2.14**	22.67
- Loans and Advances	**266.15**	434.11
Gain on Investment in Mutual Funds measured at fair value through profit & loss	**75.37**	-
Sundry Credit balances appropriated	**22.68**	0.07
Profit on sale of Property, Plant & Equipment	**0.09**	-
Insurance claim	**34.10**	-
Miscellaneous income	**6.13**	1.30
Total	**406.66**	458.15

Note 18 : Cost of raw materials and accessories consumed

Particulars	**Year Ended March 31, 2020**	Year Ended March 31, 2019
Inventory at the beginning of the year	**6,314.86**	-
Add : Adjustment due to Business Combination (Refer Note 40)	**-**	2,037.68
Add : Purchases during the year	**12,824.31**	14,525.18
	19,139.17	16,562.86
Less : Inventory at the end of the year	**4,846.21**	6,314.86
Total	**14,292.96**	10,248.00

Note 19 : Purchase of stock-in-trade

Particulars	**Year Ended March 31, 2020**	Year Ended March 31, 2019
Purchase of stock-in-trade	**-**	1863.55
Total	**-**	1863.55

Notes to the Standalone Financial Statements

(₹ in Lakhs)

Note 20 : Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Inventories at the end of the year		
Finished goods	**1.39**	1.39
Work-in-Progress	**5,026.81**	1,770.88
	5,028.20	1,772.27
Inventories at the beginning of the year		
Finished goods	**1.39**	-
Work-in-Progress	**1,770.88**	-
(Increase) / Decrease in Inventories	**1,772.27**	-
Adjustment due to Business Combination (Refer Note 40)		
Finished goods	**-**	1.39
Work-in-Progress	**-**	1,234.37
	-	1,235.76
Total	**(3,255.93)**	(536.51)

Note 21 : Employee benefits expense

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Salaries, Wages, Gratuity, Bonus and Commission (Refer Note 30)	**1,438.26**	1,386.28
Contribution to provident and other funds (Refer Note 30)	**73.97**	58.47
Staff welfare and training expenses	**78.36**	81.83
Share based payment to employees (Refer Note 33)	**29.39**	18.94
Total	**1,619.98**	1,545.52

Note 22 : Finance costs

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest expense on Financial Liabilities measured at amortised cost		
- Loans	**36.06**	81.50
- Others	**21.74**	63.86
Other borrowing cost	**18.09**	34.49
Total	**75.89**	179.85

Note 23 : Depreciation and amortization expense

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Depreciation on Property, Plant and Equipments (Refer Note 5)	**536.25**	436.10
Amortization of Intangible assets (Refer Note 6)	**355.58**	356.90
Total	**891.83**	793.00

Notes to the Standalone Financial Statements

Note 24 : Other expenses

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Power and fuel	**178.92**	208.65
Stores and spares consumed	**658.65**	522.96
Contract Labour Charges	**1,591.18**	1,566.55
Job Work Charges	**624.94**	217.51
Lease rent for Low-value assets (Refer note 34)	**7.90**	18.24
Royalty	**439.68**	438.71
Insurance	**57.34**	18.35
Printing, stationery and communication	**38.27**	26.47
Commission, Brokerage and Discount	**3.51**	50.72
Rates and taxes	**9.50**	9.64
Repairs :		
To Building	**22.30**	62.92
To Machineries	**175.04**	115.72
To Others	**-**	9.65
Freight, insurance and clearing charge	**495.62**	788.31
Inspection Fees	**82.02**	97.65
Retainership Fees	**57.04**	42.42
Advertisement and publicity	**8.31**	20.94
Legal and Professional charges	**47.76**	35.98
Expenditure under CSR Activity (refer note 35)	**40.00**	-
Conveyance and Travelling expenses	**48.46**	50.22
Director's sitting fees	**4.00**	2.30
Loss on sale of Property, Plant & Equipment	**-**	5.59
Bad Debts written off	**105.71**	162.54
Auditor's remuneration (refer note (i) below)	**12.20**	13.94
Bank charges	**115.78**	95.36
Miscellaneous expenses	**203.70**	203.62
Total	**5,027.83**	4,784.96

(i) Break up of Auditor's remuneration

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Payment to Auditors as		
Auditors	**7.38**	6.72
For Other Services	**3.82**	6.69
For reimbursement of expenses	**1.00**	0.53
Total	**12.20**	13.94

Note 25 : Income tax

The major component of income tax expense for the years ended March 31, 2020 and March 31, 2019 are as follows:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Statement of Profit and Loss		
Current income tax	**1,752.00**	1,492.00
Deferred tax expense/(credit)	**251.40**	188.38
Income tax expense in the Statement of Profit and Loss	**2,003.40**	1,680.38
Statement of Other comprehensive income (OCI)		
Deferred tax expense/(credit)	**(3.81)**	(3.18)
Income tax expense/(credit) recognised in OCI	**(3.81)**	(3.18)

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2020 and March 31, 2019.

Notes to the Standalone Financial Statements

(₹ in Lakhs)

A. Current tax

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Accounting profit before tax	**6,300.24**	5,878.97
Tax Rate	**29.12%**	29.12%
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	**1,834.63**	1,711.96
Adjustment		
On account of revaluation of tax base of non-depreciable assets (due to indexation benefit)	**(23.56)**	(20.94)
Expenditure not deductible for tax/not liable to tax	**5.44**	5.89
Other Adjustment	**186.89**	(16.53)
Total income tax expense	**2,003.40**	1,680.38
Effective tax rate	**31.80%**	28.58%

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. 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, 2020	March 31, 2019	Adjustment due to Business Combination (Refer Note 40)	March 31, 2020	March 31, 2019
Accelerated depreciation for tax purposes	(1,151.27)	(896.67)	(667.48)	254.60	229.19
Impact of fair valuation of Land	(389.16)	(412.72)	(433.66)	(23.56)	(20.94)
Expenditure allowable on payment basis	25.61	32.01	20.95	6.40	(11.06)
Expenditure allowable over the period (Section 35D)	6.61	8.81	-	2.20	(8.81)
Others	(0.07)	7.88	4.70	7.95	(3.18)
Deferred tax expense/(income)				**247.59**	**185.20**
Net deferred tax liabilities	**(1,508.28)**	**(1,260.69)**	**(1,075.49)**		
Reflected in the balance sheet as follows					
Deferred tax liabilities	(1,540.50)	(1,309.39)	-		
Deferred tax assets	32.22	48.70	-		
Deferred tax liabilities (net)	**(1,508.28)**	**(1,260.69)**	**-**		

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, 2020	As at March 31, 2019
Contingent liabilities not provided for		
Guarantees given by banks on behalf of the Company	**13,461.56**	12,904.83

Note 27 : Capital commitment and other commitments

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Capital commitments	**630.46**	-
(b) Other commitments	**-**	-

Notes to the Standalone 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.

However, the Company does not have any of derivative contracts outstanding as at reporting date.

Exposure Not Hedged

Nature of exposure	Currency	As at March 31, 2020 FC	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 FC	As at March 31, 2019 ₹ in Lakhs
Receivables	USD	10,38,354	785.67	18,79,229	1,320.47
Payable to creditors	USD	36,107	27.32	16,31,763	1,151.01
	EURO	9,701	8.03	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, 2020	Year Ended March 31, 2019
Segment Revenue*		
(a) In India	**21,632.60**	17,300.54
(b) Rest of the world	**2,913.54**	6,998.65
Total	**24,546.14**	24,299.19
Carrying Cost of Segment Non Current Assets@		
(a) In India	**18,482.00**	17,500.05
(b) Rest of the world	-	-
Total	**18,482.00**	17,500.05

* 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. 4 customers have accounted for more than 10% of the Company's revenue for the years ended March 31, 2020.

Notes to the Standalone Financial Statements

Note 30 : Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of ₹ 55.75 Lakhs (March 31, 2019: ₹ 27.31 lakhs) is recognised as expenses and included in Note No. 21 "Employee benefit expense".

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
(i) Contribution to Provident Fund and Pension [Note (a)]	55.75	26.71
(ii) Contribution to Superannuation Fund [Note (b)]	-	0.60
Total	**55.75**	27.31

Note (a) Employees of the Company receive benefits from a provident fund, which is a defined contribution plan. The eligible employees and the company make monthly contributions to the provident fund plan equal to a specified percentage of the employees' salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The remaining portion is contributed to the government-administered pension fund. Employees of the Company receive benefits from a government administered provident fund, which is a defined contribution plan. The Company has no furtherobligation to the plan beyond its monthly contributions. Such contributions are accounted for as defined contribution plans and are recognised as employee benefits expenses when they are due in the Statement of profit and loss..

(b) The Company's Superannuation Fund is administered by Life Insurance Company. 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:

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

Changes in defined benefit obligation and plan assets as at March 31, 2020:

(₹in Lakhs)

Particulars	As at April 1, 2019	Charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					As at March 31, 2020
		Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 21)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assum-ptions	Actuarial changes arising from changes in Experience adjustments	Sub-total included in OCI	
Gratuity											
Defined benefit obligation	72.17	14.18	5.60	19.78	(2.45)	-	-	(8.85)	(3.95)	(12.80)	102.30
Fair value of plan assets	(66.92)	-	(5.20)	(5.20)	-	-	-	-	(0.27)	(0.27)	(71.85)
Net Benefit liability/(asset)	**5.25**	**14.18**	**0.40**	**14.58**	**(2.45)**	**-**	**-**	**(8.85)**	**(4.22)**	**(13.07)**	**30.45**

Changes in defined benefit obligation and plan assets as at March 31, 2019

Particulars	As at April 1, 2018	Charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					As at March 31, 2019
		Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 21)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assum-ptions	Actuarial changes arising from changes in Experience adjustments	Sub-total included in OCI	
Gratuity											
Defined benefit obligation	62.35	15.92	4.86	20.78	(21.03)	-	-	(0.14)	(9.93)	(10.07)	72.17
Fair value of plan assets	(64.63)	-	(5.03)	(5.03)	1.90	-	-	-	(0.84)	(0.84)	(66.92)
Net Benefit liability/(asset)	**(2.28)**	**15.92**	**(0.17)**	**15.75**	**(19.13)**	**-**	**-**	**(0.14)**	**(10.77)**	**(10.91)**	**5.25**

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, 2020 (%) of total plan assets	As at March 31, 2019 (%) of total plan assets
Insurance fund	100.00%	100.00%
(%) of total plan assets	**100.00%**	**100.00%**

Notes to the Standalone 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, 2020	As at March 31, 2019
Discount rate	6.87%	7.76%
Future salary increase	8.00%	8.00%
Expected rate of return on plan assets	6.87%	7.76%
Attrition rate	5.00%	5.00%
Mortality rate during employment	Indian Assured lives Mortality (2006-08)	
Mortality rate after employment	NA	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, 2020	Year ended March 31, 2019
Gratuity			
Discount rate	1% increase	(9.87)	(6.68)
	1% decrease	11.61	7.84
Salary increase	1% increase	10.63	7.03
	1% decrease	(9.17)	(6.06)
Attrition rate	1% increase	(1.10)	(0.16)
	1% decrease	1.23	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 :

Particulars	As at March 31, 2020	As at March 31, 2019
Gratuity		
Within the next 12 months	5.75	4.57
Between 2 to 5 years	21.06	15.81
Beyond 5 years	219.11	171.34
Total expected payments	245.92	191.72

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	As at March 31, 2020 In Years	As at March 31, 2019 In Years
Gratuity	12	12

Prescribed contribution for next year ₹ 39.67 Lakhs (Previous year ₹ Nil)

Notes to the Standalone 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 liability of leave encashment is funded through Life Insurance Corporation.

The Company has recognised ₹ 26.81 Lakhs (March 31, 2019: ₹ 21.45 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)	**Subsidiary**	
1	Anup Heavy Engineering Limited	
(II)	**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
4	Mr. Arpit Patel	Independent Director
5	Ms. Reena Bhagwati	Independent Director
6	Mr. Ganpatraj Chowdhary	Independent Director
7	Mr. Rishi Roop Kapoor	Chief Executive Officer
8	Mr. Rakesh Poddar	Chief Financial Officer
(III)	**Enterprise over which Key Management Personnel are able to exercise significant influence**	
1	Arvind Limited	
2	Arvind Envisol Limited	
3	Atul Limited	
(IV)	**Trusts**	
1	The Anup Engineering Limited Employees' Gratuity Fund Trust	

B Disclosure in respect of Related Party Transactions : (₹in Lakhs)

Particulars	Subsidiary		Key Management Personnel		Enterprise over which Key Management Personnel are able to exercise significant influence		Trust	
	Year end / as at		Year end / as at		Year end / as at		Year end / as at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
(I) Transactions during the year								
Remuneration	-	-	354.76	91.19	-	-	-	-
Sitting Fees paid	-	-	4.00	1.40	-	-	-	-
Services rendered	-	-	-	-	25.93	39.87	-	-
Reimbursement of expenses	0.01	-	-	-	-	-	-	-
Interest Income	-	-	-	-	207.83	434.11	-	-
Loan received back	-	-	-	-	4,436.00	90.77	-	-
Investment made	1.00	-	-	-	-	-	-	-
(II) Balances at year end								
Receivable in respect of Loans	-	-	-	-	-	4,436.00	-	-
Trade and Other Payable	-	-	-	-	302.43	48.83	0.33	-
Other Current Asset	0.01	-	-	-	-	-	-	-

Notes to the Standalone Financial Statements

(c) Terms and conditions of transactions with related parties

(1) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than loan given, at the year-end are unsecured and interest free and settlement occurs in cash.

(2) Loans in INR given to the related party carries interest rate of 8.80% (March 31, 2019: 8.80%).

(d) Commitments with related parties

The Company has not provided any commitment to the related party as at March 31, 2020 (March 31, 2019: ₹ Nil)

(e) Transactions with key management personnel

Compensation of key management personnel of the Company

(₹in Lakhs)

Particulars	**Year Ended March 31, 2020**	Year Ended March 31, 2019
Short-term employee benefits	**311.94**	70.89
Termination benefits	**14.20**	4.12
Share based payments	**28.62**	16.18
Total compensation paid to key management personnel	**354.76**	91.19

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

Note 32 : Earning per share

Particulars		**Year Ended March 31, 2020**	Year Ended March 31, 2019
Profit/(Loss) attributable to ordinary equity holders	₹ in Lakhs	**4,296.84**	4,198.59
Weighted average number of equity shares for basic EPS (a)	No.	**1,01,97,889**	1,01,93,962
Effect of potential Ordinary shares on Employee Stock Options outstanding (b)	No.	**39,399**	83,240
Weighted average number of Ordinary shares in computing diluted earnings per share (a) + (b)	No.	**1,02,37,288**	1,02,77,202
Nominal value of equity shares	₹	**10**	10
Basic earning per share	₹	**42.13**	41.19
Diluted earning per share	₹	**41.97**	40.85

Note 33 : Share based payments

A. The Company has instituted Employee Stock Option Scheme 2018 ("ESOP 2018"), Employee Stock Options Scheme (Demerger) 2018 ("ESOS DEMERGER 2018") and Anup Employee Stock Option Scheme 2019 ("Anup - ESOS 2019") pursuant to the approval of the shareholders of the Company to the Scheme in their Meetings held on 12th May 2018, 12th May 2018 and 7th August 2019 respectively. Under ESOP 2018, ESOS DEMERGER 2018 and Anup – ESOS 2019 the company has granted options convertible into equal number of Equity Shares of face value of ₹ 10 each to its certain employees. The following table sets forth the particulars of the options issued and vested under ESOP 2018, ESOS DEMERGER 2018 and Anup – ESOS 2019:

Notes to the Standalone Financial Statements

Scheme	Anup – ESOS 2019		ESOS 2018	ESOS DEMERGER 2018
Date of grant	24th October 2019		-	-
Expiry Date	5 years from the date of vesting		5 years from the date of grant	5 years from the date of grant
Number of options granted	30,000	7,500	-	-
Exercise price per option	464.40	10.00	-	-
Fair Value of option on Grant date			-	-
Vesting schedule	50% Vesting on 31st May 2022 and 31st May 2023 each	Vesting on 31st May 2024	Vesting on 31st March 2021	25,038 options vested
Vesting requirements	Performance based vesting		Performance based vesting	Time based vesting
Exercise period	5 years from the date of vesting		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	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, 2020				Year Ended March 31, 2019	
	Anup ESOS 2019		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	-	-	87,500	151.43	58,371	324.69
Vested but not exercised at the beginning of the year	-			-	-	-
Granted during the year	37,500	373.52	-	-	-	-
Forfeited during the year	-			-	-	-
Exercised during the year	-	-	-	-	5,556	244.02
Expired during the year	-			-	-	-
Outstanding at the end of the year	37,500	373.52	87,500	151.43	52,815	333.18
Exercisable at the end of the year	-			-	52,815	333.18

Particulars	Year Ended March 31, 2019			
	ESOS 2018		ESOS DEMERGER 2018	
	No. of Options	Weighted Average Exercise Price	No. of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	-	-	-	-
Vested but not exercised at the beginning of the year	-	-	-	
Granted during the year	87,500	151.43	58,371	324.69
Forfeited during the year	-	-	-	
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	
Outstanding at the end of the year	87,500	151.43	58,371	324.69
Exercisable at the end of the year		-		

Notes to the Standalone Financial Statements

C. Share Options Exercised during the year

Option Series	No. of Options	Exercise Date	Weighted Average Share Price at Exercise Date
ESOS DEMERGER 2018	5,556	18th July 2019	244.02

D. Share Options Outstanding at the end of the year:

Particulars	Anup - ESOS 2019	ESOS 2018	ESOS DEMERGER 2018
For stock options outstanding at the end of the year, the range of exercise prices and the weighted average remaining contractual life (comprising the vesting period and the exercise period)	Exercise price range – ₹ 151.43Weighted average remaining contractual life – 6.00 years	Exercise price range – ₹ 244.02 to ₹ 385.29Weighted average remaining contractual life – 2.28 years	Exercise price range – ₹ 10.00 to ₹ 464.40Weighted average remaining contractual life – 8.37 years

E. Assumptions used during the year for options granted

Option Series	Anup - ESOS 2019
1 Risk free interest rate	6.37% p.a
2 Expected life	4.20 years
3 Expected volatility	49.68%
4 Expected dividend	0%
5 Fair value of the underlying share at the time of grant of the option	₹ 475.50

F. 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, 2020	Year Ended March 31, 2019
Share Based Payment to Employees	**29.39**	18.94

Note 34 : Leases

A. For transition as on April 1, 2019, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

On transition, the Company does not have any leases except for low value assets lease.

B. The Company incurred ₹ 7.90 Lakhs for the year ended March 31, 2020 towards expenses relating to leases of low-value assets.

Notes to the Standalone Financial Statements

Note 35: Disclosure in respect of Corporate Social Responsibility (CSR) Activities

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a) Gross amount required to be spent by the Company during the year	39.19	-
b) Amount spend during the year (in cash)		
i) Construction/ acquisition of any asset	-	-
ii) on purposes other than (i) above	40.00	-
c) Amount unspent during the year	-	-

Note 36: Financial Instruments by category

(i) Financial assets by category

Particulars	As at March 31, 2020				As at March 31, 2019			
	Cost	Fair value through Profit and Loss (FVTPL)	Amor-tised cost	Total	Cost	Fair value through Profit and Loss (FVTPL)	Amor-tised cost	Total
Investments:								
Equity shares	1.00	-	-	1.00	-	-	-	-
Mutual funds	-	4,422.31	-	4,422.31	-	-	-	-
Trade receivables	-	-	6438.51	6,438.51	-	-	6,953.28	6,953.28
Loans	-	-	-	-	-	-	4,436.00	4,436.00
Cash and cash equivalents	-	-	189.30	189.30	-	-	0.66	0.66
Other bank balances	-	-	13.39	13.39	-	-	17.74	17.74
Other financial assets	-	-	73.75	73.75	-	-	69.96	69.96
Total Financial assets	1.00	4,422.31	6,714.95	11,138.26	-	-	11,477.64	11,477.64

(ii) Financial liabilities by category

Particulars	As at March 31, 2020		As at March 31, 2019	
	Amortised cost	Total	Amortised cost	Total
Borrowings	-	-	738.19	738.19
Trade payable	2,319.27	2,319.27	4,204.93	4,204.93
Other Financial Liabilities	229.44	229.44	141.64	141.64
Total Financial liabilities	**2,548.71**	**2,548.71**	5,084.76	5,084.76

For Financial instruments risk management objectives and policies, refer Note 38.

Note 37 : 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:

Particulars	Carrying amount		Fair value	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial liabilities				
Amortised Cost				
Borrowings	-	738.19	-	738.19
Total	**-**	**738.19**	**-**	**738.19**

Notes to the Standalone Financial Statements

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, 2020 and March 31, 2019

(₹ in Lakhs)

Particulars	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at March 31, 2020				
Liabilities disclosed at fair value				
Borrowings	-	-	-	-
As at March 31, 2019				
Liabilities disclosed at fair value				
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 price 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.

Note 38 : 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, 2020	Effect on profit before tax March 31, 2019
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 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.

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.

Notes to the Standalone Financial Statements

(₹ in Lakhs)

Particulars	Change in Currency rate	Effect on profit before tax in USD rate	Effect on profit before tax in EURO rate
March 31, 2020	+2%	15.17	(0.16)
	-2%	(15.17)	0.16
March 31, 2019	+2%	3.39	(0.69)
	-2%	(3.39)	0.69

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, 2020 and March 31, 2019.

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

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
Year ended March 31, 2020				
Trade payables	2,206.94	112.33	-	2,319.27
Other financial liabilities	229.44	-	-	229.44
	2,436.38	**112.33**	**-**	**2,548.71**
Year ended March 31, 2019				
Interest bearing borrowings	738.19	-	-	738.19
Trade payables	4,122.34	82.59	-	4,204.93
Other financial liabilities	141.64	-	-	141.64
	5,002.17	**82.59**	**-**	**5,084.76**

Note 39 : 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, 2020**	As at March 31, 2019
(a) Interest bearing loans and borrowings (Note 13)	**-**	738.19
(b) Less: cash and bank balance (including other bank balance)	**202.69**	18.40
(c) Net debt (a) - (b)	**(202.69)**	719.79
(d) Equity share capital (Note 11)	**1,019.95**	1,019.40
(e) Other equity (Note 12)	**31,271.51**	27,802.26
(f) Total capital (d) + (e)	**32,291.46**	28,821.66
(g) Total capital and net debt (c) + (f)	**32,088.77**	29,541.45
(h) Gearing ratio (c)/(g)	**-0.63%**	2.44%

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 Standalone Financial Statements

Note 40 : Business Combination (Year 2018-19)

(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.

(II) Summary of acquisition

(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 Standalone 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**	
ASSETS			
Property, plant and equipment	7,575.92	911.79	**8,487.71**
Intangible assets	25.33	3,500.00	**3,525.33**
Inventories	3,312.06	1,854.39	**5,166.45**
Trade receivables	6,387.76	114.47	**6,502.23**
Loans	4,456.35	-	**4,456.35**
Cash and bank balances	55.27	0.60	**55.87**
Others financial assets (current and non-current)	23.25	656.37	**679.62**
Current tax assets (net)	73.55	(7.01)	**66.54**
Other assets (current and non-current)	1,936.14	516.50	**2,452.64**
Total Assets acquired (A)	**23,845.63**	**7,547.11**	**31,392.74**
LIABILITIES			
Non-current liabilities			
Borrowings	184.05	3,178.00	**3,362.05**
Trade payables	2,896.64	225.23	**3,121.87**
Other financial liabilities (current and non-current)	29.03	8.97	**38.00**
Provisions (current and non-current)	89.57	0.46	**90.03**
Deferred tax liabilities (net)	1,068.48	7.00	**1,075.48**
Other current liabilities	895.21	0.85	**896.06**
Total Liabilities assumed (B)	**5,162.98**	**3,420.51**	**8,583.49**
Net assets acquired (A) - (B)	**18,682.65**	**4,126.60**	**22,809.25**

(e) Calculation of Goodwill / Capital Reserve

Particulars	Anup	Engineering Div.	Total
Purchase consideration paid in cash	3,184.87	49,558.69	**52,743.56**
Controlling Interest in the amalgamated entity	-	656.37	**656.37**
Less: Net identifiable assets acquired as stated above	(18,682.65)	(4,126.60)	**(22,809.25)**
Total Goodwill /(Capital Reserve) on acquisition of controlling interest adjusted against Securities Premium	**(15,497.78)**	**46,088.46**	**30,590.68**

Note 41: Impact of Covid-19

The spread of COVID-19 has severely impacted businesses around the globe. It has caused severe effects on the economy, world over including India due to lockdowns, disruptions in transportation, supply chain, travel plans, quarantines, social distancing and other emergency measures.

The Company is engaged in the business of manufacturing of engineering goods. The business of the Company is also affected by this disruption. The effects such as lower than normal business, other disruptions are expected to have continuing effect at least for the next two quarters based on current assessment.

However, the Company has made detailed assessment of the liquidity position for the next one year and of the recoverability and carrying value of

Notes to the Standalone Financial Statements

its assets comprising Property, Plant and Equipment, Intangible Assets, Trade Receivables, inventory as at balance sheet date and has made appropriate adjustment along with adjustment to revenue recognition and actuarial assumptions. In assessing the recoverability of its assets including receivables and inventories, the Company has considered internal and external information up to the date of approval of these financial statements including economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to closely monitor any material changes to future economic conditions.

Note 42 : Standards issued but not yet effective

There are no standards or interpretations which are notified but not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods.

Note 43 :Regrouped, Recast, Reclassified

Previous period's figures in the financial statements, including the notes thereto, have been reclassified wherever required to conform to the current period's presentation/ classification

Note 44 : Events occurring after the reporting period

The Board of Directors recommended dividend of ₹ 7/- per equity share (March 31, 2019 : ₹ 7/-) of face value of ₹ 10 each, which is subject to approval by shareholders of the Company.

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 Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **The Anup Engineering Limited** (Formerly Known as Anveshan Heavy Engineering Limited) ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and the notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with 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 consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated 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 consolidated financial statements.

Emphasis of Matter

We draw attention to note no. 40 of the financial statements, which describes that based on current indicators of future economic conditions, the Company expects to recover the carrying amount of all its assets and revenue recognised. The impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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	**Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)** The application of the 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, 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. Refer Note 16 to the Financial Statements	**<u>Principal Audit Procedures</u>** Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. • 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. Selected a sample of continuing and new contracts and performed the following procedures: • Read, analysed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • 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.

Sr. No.	Key Audit Matter	Auditor's Response
		• Considered the terms of contracts for determination of Principal versus agent consideration, recognition of contract assets and refund liability including historical trend of returns. • Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. • 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.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding 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 consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary companies which are companies incorporated in India, 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 consolidated 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 of the aforesaid consolidated financial statements.
   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
   d) In our opinion, the aforesaid consolidated financial statements comply with the 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 of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and its subsidiary and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"** which is based on the auditor's reports of the Holding Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
   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 Parent 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 Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
      ii. The Company did not have any long-term contract including derivative contracts for which there were any material foreseeable losses.
      iii. There has been no amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For Sorab S. Engineer & Co.
Chartered Accountants
Firm's Registration No. 110417W
CA. Chokshi Shreyas B.
Partner
Membership No.100892
UDIN: 20100892AAAAND3068

Place : Ahmedabad
Date : 24th June 2020

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 (Formerly known as Anveshan Heavy Engineering Limited) ("the Holding Company") and its subsidiary companies incorporated in India, for the year ended March 31, 2020 in conjunction with our audit of the Consolidated Ind AS financial statements of the Holding Company.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and , both issued by the Institute of Chartered Accountants of India. 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 Ind AS 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 Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS 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 Holding Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding Company are being made only in accordance with authorisations of management and directors of the Holding Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Holding Company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion the Holding Company and its subsidiary companies, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 : 24th June 2020

Consolidated Balance Sheet as at March 31, 2020

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2020
ASSETS		
Non-current assets		
(a) Property, plant and equipment	5	14,413.99
(b) Capital work-in-progress	-	1,228.55
(c) Intangible assets	6	2,712.59
(d) Financial assets		
(i) Investments	7 (a)	2,033.00
(iii) Other financial assets	7 (e)	70.28
(e) Other non-current assets	8	126.87
Total non-current assets (A)		**20,585.28**
Current assets		
(a) Inventories	9	10,618.17
(b) Financial assets		
(i) Investments	7 (a)	2,389.31
(ii) Trade receivables	7 (b)	6,438.51
(iii) Cash and cash equivalents	7 (c)	190.30
(iv) Bank balance other than (iii) above	7 (d)	13.39
(v) Others financial assets	7 (e)	3.47
(c) Current tax assets (net)	10	345.87
(d) Other current assets	8	1,622.58
Total current assets (B)		**21,621.60**
Total Assets (a) + (b)		**42,206.88**
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	11	1,019.95
(b) Other equity	12	31,271.50
Total equity (A)		**32,291.45**
LIABILITIES		
Non-current liabilities		
(a) Deferred tax liabilities (net)	24	1,508.28
Total non-current liabilities (B)		**1,508.28**
Current liabilities		
(a) Financial liabilities		
(ii) Trade payables	13 (a)	
Total outstanding dues of micro enterprises and small enterprises		-
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,319.27
(iii) Other financial liabilities	13 (b)	229.44
(b) Short-term provisions	14	87.96
(c) Other current liabilities	15	5,770.48
Total current liabilities (C)		**8,407.15**
TOTAL EQUITY AND LIABILITIES (A) + (B) + (C)		**42,206.88**
See accompanying notes forming part of the consolidated 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 : 24th June 2020

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

Sanjay S. Lalbhai
Chairman
DIN: 00008329

Punit S. Lalbhai
Director
DIN: 05125502

Rakesh Kumar Poddar
Chief Financial Officer

Chintankumar Patel
Company Secretary

Place : Ahmedabad
Date : 24th June 2020

Consolidated Statement of profit and loss for the year ended March 31, 2020

(₹ in Lakhs)

Particulars		Notes	Year Ended March 31, 2020
I.	**INCOME**		
	(a) Revenue from operations	16	24,546.14
	(b) Other income	17	406.66
	Total income		**24,952.80**
II.	**EXPENSES**		
	(a) Cost of raw materials and accessories consumed	18	14,292.96
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	(3,255.93)
	(c) Employee benefits expense	20	1,619.98
	(d) Finance costs	21	75.89
	(e) Depreciation and amortisation expense	22	891.83
	(f) Other expenses	23	5,027.84
	Total expenses		**18,652.57**
III.	**Profit before exceptional items and tax (I-II)**		**6,300.23**
IV.	Exceptional items		-
V.	**Profit before tax (III-IV)**		**6,300.23**
VI.	**Tax expense**	24	
	(a) Current tax		1,752.00
	(b) Deferred tax (Credit) / charge		251.40
	Total tax expense		**2,003.40**
VII.	**Profit for the year (V-VI)**		**4,296.83**
VIII.	**Other comprehensive income / (Loss)**		
	Items that will not be reclassified to Profit and Loss		
	(i) Remeasurement gain/(loss) of defined benefit plans		(13.07)
	(ii) Income tax related to above item		3.81
	Net other comprehensive income / (Loss)		**(9.26)**
	Total other comprehensive income / (Loss) for the year, net of tax (VIII)		**(9.26)**
IX.	**Total comprehensive income for the year, net of tax (VII+VIII)**		**4,287.57**
X.	**Earning per equity share [nominal value per share ₹10]**	31	
	Basic		42.13
	Diluted		41.97

See accompanying notes forming part of the consolidated 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 : 24th June 2020

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

Sanjay S. Lalbhai
Chairman
DIN: 00008329

Punit S. Lalbhai
Director
DIN: 05125502

Rakesh Kumar Poddar
Chief Financial Officer

Chintankumar Patel
Company Secretary

Place : Ahmedabad
Date : 24th June 2020

Consolidated Statement of cash flows for the year ended March 31, 2020

(₹ in Lakhs)

	Particulars	Year ended March 31, 2020	
A	**Cash Flow from Operating activities**		
	Profit before taxation		**6,300.23**
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation /Amortization	891.83	
	Interest Income	(268.29)	
	Gain on mutual fund investments	(75.37)	
	Interest and Other Borrowing Cost	75.89	
	Sundry Credit Balances written back	(22.68)	
	Loss/(Profit) on sale of Property, Plant & Equipment	(0.09)	
	Share Based Payment Expense	29.39	
			630.68
	Operating Profit before Working Capital Changes		**6,930.91**
	Adjustments for changes in working capital :		
	(Increase)/Decrease in inventories	(1,771.85)	
	(Increase)/Decrease in trade receivables	514.77	
	(Increase)/Decrease in other financial assets	(3.51)	
	(Increase)/Decrease in other assets	31.63	
	Increase/(Decrease) in trade payables	(1,862.98)	
	Increase/(Decrease) in other financial liabilities	(20.23)	
	Increase/(Decrease) in other current liabilities	1,337.44	
	Increase/(Decrease) in provisions	33.75	
	Net Changes in Working Capital		**(1,740.98)**
	Cash Generated from Operations		**5,189.93**
	Direct Taxes paid (Net of Tax refund)		(2,033.19)
	Net Cash flow from Operating Activities		**3,156.74**
B	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant & Equipment	(1,788.04)	
	Proceeds from disposal of Property, Plant & Equipment	12.74	
	Changes in other bank balances	4.35	
	Purchase of investments	(4,346.94)	
	Loans (given)/repayment received (net)	4,436.00	
	Interest Received	268.01	
	Net cash flow from / (used in) Investing Activities		**(1,413.88)**
C	**Cash Flow from Financing Activities**		
	Proceeds from Issue of Share Capital	13.56	
	Repayment of short term borrowings	(738.19)	
	Dividend paid	(702.99)	
	Dividend Distribution tax paid	(146.76)	
	Proceeds for fractional entitlement	97.05	
	Interest Paid	(75.89)	
	Net Cash flow used in Financing Activities		**(1,553.22)**
	Net Increase/(Decrease) in cash and cash equivalents		**189.64**
	Cash & Cash equivalent at the beginning of the year		**-**
	Add: Adjustment due to consolidation		**0.66**
	Cash & Cash equivalent at the end of the year		**190.30**

Consolidated Statement of cash flows for the period ended March 31, 2020

Reconciliation of cash and cash equivalents (₹ in Lakhs)

Particulars	Year ended March 31, 2020
Cash and cash equivalents :	
Cash on Hand	0.42
Balances with Banks*	188.88
Cash and cash equivalents as per Balance Sheet (Refer Note 7 (c))	**190.30**
Cash and cash equivalents as per Cash flow Statement	**190.30**

*Includes balance in unpaid dividend account ₹ 10.98 lakhs (Previous year: ₹ Nil) & unpaid fractional share account ₹ 97.05 lakhs (Previous year: ₹ Nil) not available for use by the Company.

See accompanying notes forming part of the consolidated 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 : 24th June 2020

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

Sanjay S. Lalbhai
Chairman
DIN: 00008329

Punit S. Lalbhai
Director
DIN: 05125502

Rakesh Kumar Poddar
Chief Financial Officer

Chintankumar Patel
Company Secretary

Place : Ahmedabad
Date : 24th June 2020

Consolidated Statement of changes in Equity for the year ended March 31, 2020

A. Equity share capital

(₹ in Lakhs)

Particulars	Adjustment due to consolidation	Changes in Equity Share Capital during the year	Balance at the end of the reporting year
For the year ended March 31, 2020	1,019.40	0.55	1,019.95

B. Other equity

Particulars	Reserves and Surplus				Total other equity
	Capital Reserve	Share based payment reserve	Securities premium	Retained Earnings	
		Note 32			
Balance as at April 1, 2019	**-**	**-**	**-**	**-**	**-**
Adjustment due to consolidation	**5.00**	**27.05**	**21,133.48**	**6,636.73**	**27,802.26**
Profit for the year	-	-	-	4,296.83	4,296.83
Other comprehensive income for the year	-	-	-	(9.26)	(9.26)
Total Comprehensive income for the year	**5.00**	**27.05**	**21,133.48**	**10,924.30**	**32,089.83**
Add: Issue of Shares under Employee Stock Option Plan	-	29.39	-	-	29.39
Less: Transfer to Securities premium account		(0.78)			(0.78)
Add: Received during the year	-		13.01	-	13.01
Add: Transfer from Share based payment reserve	-	-	0.78	-	0.78
Less: Dividend paid during the year	-	-	-	(713.97)	(713.97)
Less: Dividend distribution tax on Dividend paid	-	-	-	(146.76)	(146.76)
Balance as at March 31, 2020	**5.00**	**55.66**	**21,147.27**	**10,063.57**	**31,271.50**

See accompanying notes forming part of the consolidated 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 : 24th June 2020

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

Sanjay S. Lalbhai
Chairman
DIN: 00008329

Punit S. Lalbhai
Director
DIN: 05125502

Rakesh Kumar Poddar
Chief Financial Officer

Chintankumar Patel
Company Secretary

Place : Ahmedabad
Date : 24th June 2020

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

1. Corporate Information

The Anup Engineering Limited (Formerly Known as Anveshan Heavy Engineering Limited) ("the Company") is engaged in manufacturing and fabrication of process equipment 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") applicable in India. Its equity shares are listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE"). The registered office of the Company is located at Odhav, Ahmedabad.

The consolidated financial statements have been considered and approved by the Board of Directors at their meeting held on 24th June 2020.

2. Statement of Compliance and Basis of Preparation

The consolidated 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 consolidated 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, 2020 have been prepared in accordance with Ind AS 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 consolidated 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.

Principles of Consolidation of Subsidiaries

The Group consolidates entities which it owns or controls. The Consolidated Financial Statement comprise the financial statements of the Group and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses including unrealized gain /loss and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

3. Summary of Significant Accounting Policies

3.1. Current versus non-current classification

The Group 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 Group 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 Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Group'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 consolidated financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group 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 Group 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 payments arrangements of the Group 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 Group 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 Group 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 Group'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 Group 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 Group'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 Group'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 Group's functional and presentation currency is Indian Rupee. Transactions in foreign currencies are initially recorded by the Group'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 Group.

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 Group 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 consolidated 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 consolidated financial statements on a recurring basis, the Group 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 Group'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 Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Group'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 Group'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 Group'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 Group 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 Group 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 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 Group adjusts exchange differences arising on translation difference / settlement of long-term foreign currency monetary items outstanding as at March 31, 2016, 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.

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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 Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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 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 Group 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 Group 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 Group 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 Group 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 Group. 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 Group bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a 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 Group 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 Group derives revenues primarily from sale of manufactured goods, traded goods and related services.

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 Group 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 Group is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

The Group 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

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benefits provided by the Group's performance as the Group performs; or

2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group 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 Group 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.

Revenue from rendering of services is recognised over time as and when the customer receives the benefit of the Group's performance and the Group has an enforceable right to payment for services transferred.

Export Incentive

Export incentives under various schemes notified by government 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 Group 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 Group'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 Group, 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 Group 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 Group 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 Group. 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 Group 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 Group 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 Group 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 Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group 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 Group 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 Group may transfer the cumulative gain or loss within equity.

Impairment of financial assets

The Group 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 Group has transferred substantially all of the risks and rewards of ownership.

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

(a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;

(b) 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 Group 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 Group 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 Group 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

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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 Group 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 Group 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 Group 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 Group 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 Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with 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 Group 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 Group'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 Group 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 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 Group recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Group 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 Group recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of profit and loss. The Group reviews such tax credit asset at each reporting date and writes down the asset to the extent the Group 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 Group's approved provident fund scheme, superannuation fund scheme, employees' state insurance fund scheme and Employees' pension scheme are defined contribution plans. The Group 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 Group'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 Group'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.

Notes to the Consolidated Financial Statements

(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 Group 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 Group'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 Group'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 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 Group 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 Group 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 consolidated financial statements by the Board of Directors.

3.20. Dividend

The Group recognises a liability (including tax thereon) to make cash or non-cash distributions to equity shareholders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group.

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 Group 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 Group 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 Group 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 Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised but disclosed in the consolidated 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 Group 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 Group 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,
- 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 Group's consolidated 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 Group based its assumptions and estimates on parameters available when the consolidated 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 Group. 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 Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

Notes to the Consolidated Financial Statements

(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 Group 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 Group 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 Group 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 Group. 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 consolidated financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Group 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 Group'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 consolidated financial statements.

Further details about defined benefit obligations are provided in Note 29.

(e) Revenue recognition

Contracts are subject to modification to account for changes in contract specification and requirements. The Group 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.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the consolidated selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the consolidated selling price, or as a termination of the existing contract and creation of a new contract if not priced at the consolidated selling price.

The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group 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 Group 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 Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group 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.

Notes to the Consolidated 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
Gross Carrying Amount									
Balance as at April 1, 2019	-	-	-	-	-	-	-	-	
Adjustment due to consolidation	3,307.67	4,848.70	1,968.00	4,526.43	84.09	198.07	39.14	38.04	15,010.14
Additions	294.04	-	93.88	297.57	8.36	15.87	10.38	8.06	728.16
Deductions (refer note 1)	-	17.22	-	13.70	0.36	-	-	-	31.28
As at March 31, 2020	**3,601.71**	**4,831.48**	**2,061.88**	**4,810.30**	**92.09**	**213.94**	**49.52**	**46.10**	**15,707.02**
Accumulated Depreciation and Impairment									
Balance As at April 1, 2019									
Adjustment due to consolidation	-	-	143.43	510.52	32.34	48.85	17.50	22.77	775.41
Depreciation for the year	-	-	60.15	408.20	8.93	24.23	7.86	9.66	519.03
Deductions	-	-	-	1.25	0.16	-	-	-	1.41
As at March 31, 2020	**-**	**-**	**203.58**	**917.47**	**41.11**	**73.08**	**25.36**	**32.43**	**1,293.03**
Net Carrying Amount									
As at March 31, 2020	**3,601.71**	**4,831.48**	**1,858.30**	**3,892.83**	**50.98**	**140.86**	**24.16**	**13.67**	**14,413.99**

Notes:

1. Deduction of leasehold land represents amortisation.

2. For Properties pledged as security, refer Note 13 (a).

Notes to the Consolidated Financial Statements

(₹ in Lakhs)

Note 6 : Intangible assets

Particulars	Computer Software	Patent & Technical Knowhow	Licence	Total
Gross Carrying Amount				
As at April 1, 2019				
Adjustment due to consolidation	44.20	11.37	3,500.00	3,555.57
Additions	-	-	-	-
Deductions	-	-	-	-
As at March 31, 2020	**44.20**	**11.37**	**3,500.00**	**3,555.57**
Accumulated Depreciation				
As at April 1, 2019				
Adjustment due to consolidation	39.56	10.34	437.50	487.40
Amortisation for the year	4.55	1.03	350.00	355.58
Deductions	-	-	-	-
As at March 31, 2020	**44.11**	**11.37**	**787.50**	**842.98**
Net Carrying Amount				
As at March 31, 2020	**0.09**	**-**	**2,712.50**	**2,712.59**

Note 7 : Financial assets

7 (a) Investments

Particulars		As at March 31, 2020
Non - Current		
a)	Investments in mutual funds - measured at fair value through profit & loss (unquoted)	2,033.00
	Total Non-Current Investments (A)	**2,033.00**
	Current	
a)	Investments in mutual funds - measured at fair value through profit & loss (unquoted)	2,389.31
	Total Current Investments (B)	**2,389.31**
	Total (A) + (B)	**4,422.31**

7 (b) Trade receivables - Current

Particulars	As at March 31, 2020
Unsecured, considered good	**6,438.51**
Total Trade receivables	**6,438.51**

Receivables from directors or from firm/private company where director is interested -
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

Notes to the Consolidated Financial Statements

7 (c) Cash and cash equivalent (₹ in Lakhs)

Particulars	As at March 31, 2020
Cash on hand	0.42
Balance with Banks	
In Current accounts	1.79
In Cash credit accounts	80.06
Unpaid Dividend account	10.98
Unpaid Fractional Share account	97.05
Total cash and cash equivalents	**190.30**

7 (d) Other bank balance

Particulars	As at March 31, 2020
Deposits held as Margin Money*	**13.39**
Total other bank balances	**13.39**

* Under lien with bank as Security for Guarantee given by the bankers

7 (e) Other financial assets

Particulars	As at March 31, 2020
Unsecured, considered good unless otherwise stated	
Non-current	
Security deposits	**70.28**
Total Non-current Other Financial Asset (A)	**70.28**
Current	
Security deposits	**0.72**
Interest receivable	**2.75**
Total Current Other Financial Asset (B)	**3.47**
Total (A) + (B)	**73.75**

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, 2020
Non-Current	
Capital Advances	**111.72**
Pre-paid expense	**15.15**
	126.87
Current	
Advance to suppliers	**1,353.93**
Balance with Government Authorities (Refer Note below (i))	**169.62**
Export incentive receivable	**64.63**
Pre-paid expense	**34.40**
	1,622.58
Total	**1,749.45**

Advance to directors or to firm/private company where director is interested - -

(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 Consolidated Financial Statements

(₹ in Lakhs)

Note 9 : Inventories (At lower of cost and net realisable value)

Particulars	As at March 31, 2020
Raw materials	4,846.21
Stores and spares	743.76
Work-in-progress	5,026.81
Finished goods	1.39
Total	**10,618.17**

Inventories are hypothecated as security for borrowings as disclosed under Note - 13(a).

Note 10 : Current Tax Assets (Net)

Particulars	As at March 31, 2020
Tax Paid in Advance (Net of Provision)	345.87
Total	**345.87**

Note 11 : Equity share capital

Particulars	As at March 31, 2020	
	No. of shares	₹ in Lakh
Authorised share capital		
Equity shares of ₹ 10 each	6,52,50,000	6,525.00
Issued, subscribed and paid-up share capital		
Equity shares of ₹ 10 each	1,01,99,518	1,019.95
Total	1,01,99,518	1,019.95

(i) Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2020	
	No. of shares	₹ in Lakh
Outstanding at the beginning of the year	1,01,93,962	1,019.40
Add: Issued during the year	5,556	0.55
Less: Adjustment due to Business Combination (Refer note 40)	-	-
Outstanding at the end of the year	1,01,99,518	1,019.95

(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:

Name of the Shareholder	As at March 31, 2020	
	No. of shares	% of shareholding
Aura Securities Private Limited	35,51,617	34.82%
Hdfc Trustee Company Ltd - A/C Hdfc Mid-Cap Opportunities Fund	5,77,869	5.67%

(iv) Equity 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, 2020:

Nil

(v) Shares reserved for issue under options and contracts:

Refer Note 32 for details of shares to be issued under employee stock option Scheme (ANUP ESOS 2019).

Note 12 : Other Equity

(₹ in Lakhs)

Particulars	As at March 31, 2020
(a) Capital reserve	
Balance as per last financial statements	-
Add: Adjustment due to Combination	5.00
Balance at the end of the year	**5.00**
(b) Securities premium account	
Balance as per last financial statements	
Add: Adjustment due to consolidation	21,133.48
Add: Received during the year	13.01
Add: Transfer from Share based payment reserve	0.78
Balance at the end of the year	**21,147.27**
(c) Share based payment reserve (Refer Note 33)	
Balance as per last financial statements	-
Add: Adjustment due to consolidation	27.05
Add: Addition during the year	29.39
Less: Transfer to Securities premium account	(0.78)
Balance at the end of the year	**55.66**
(d) Retained earnings	
Balance as per last financial statements	
Add: Adjustment due to consolidation	6,636.73
Add: Profit for the year	4,296.83
Less: Dividend paid during the year	(713.97)
Less: Dividend Distribution Tax on Dividend paid	(146.76)
Add: Other comprehensive income/(loss) for the year	(9.26)
Balance at the end of the year	**10,063.57**
Total Other equity	**31,271.50**

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 Consolidated Financial Statements

Note 13 : Financial liabilities

13 (a) Trade payable

(₹ in Lakhs)

Particulars	As at March 31, 2020
Current	
Acceptances	-
Other trade payables (Refer note below)	
-Total outstanding dues of micro enterprises and small enterprises	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	2,319.27
Total	2,319.27

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:

(a) Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;
(b) Interest paid during the year;
(c) Amount of payment made to the supplier beyond the appointed day during accounting year;
(d) Interest due and payable for the period of delay in making payment;
(e) Interest accrued and unpaid at the end of the accounting year; and
(f) 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.

13 (b) Other financial liabilities

Particulars	As at March 31, 2020
Current	
Payable to employees	117.41
Deposits from customers and others	4.00
Unpaid Dividend	10.98
Unpaid Fractional Share amount	97.05
Total	229.44

Note: As on March 31, 2020, there is no amount due and outstanding to be transferred to the Investor Education & Protection Fund (IEPF)

Note 14 : Provisions

Particulars	As at March 31, 2020
Short-term	
Provision for employee benefits (refer Note 28)	
Provision for leave encashment	57.51
Provision for gratuity	30.45
Total	87.96

Note 15 : Other current liabilities

Particulars	As at March 31, 2020
Advance from customers	5,688.17
Statutory dues (provident fund and tax deducted at source etc.)	82.31
Total	5,770.48

Notes to the Consolidated Financial Statements

(₹in Lakhs)

Note 16 : Revenue from operations

Particulars	Year Ended March 31, 2020
Sale of products	23,869.10
Trading Income	-
Sale of services	41.49
Other Operating income	
Waste sale	378.52
Gain/(Loss) on forward contracts	-
Export incentives	167.21
Foreign exchange fluctuation on vendors and customers	87.67
Others	2.15
Total	24,546.14

Disaggregation of Revenue from contracts with customers
Revenue based on Geography

Particulars	Year Ended March 31, 2020
Domestic	21,632.60
Export	2,913.54
Revenue from Operations	24,546.14

Revenue based on business segment

Particulars	Year Ended March 31, 2020
Engineering Products	24,546.14
Revenue from Operations	24,546.14

Reconciliation of revenue from operation with contract price

Particulars	Year Ended March 31, 2020
Revenue from contract with customers as per the contract price	24,864.14
Adjustment made to contract price on account of:	
Sales Return	318.00
Revenue from Operations	24,546.14

Notes to the Consolidated Financial Statements

(₹in Lakhs)

Note 17 : Other income

Particulars	Year Ended March 31, 2020
Interest income on financial assets measured at amortised cost	
- Fixed Deposits	2.14
- Loans and Advances	266.15
Gain on Investment in Mutual Funds measured at fair value through profit & loss	75.37
Sundry Credit balances appropriated	22.68
Profit on sale of Property, Plant & Equipment	0.09
Insurance claim	34.10
Miscellaneous income	6.13
Total	406.66

Note 18 : Cost of raw materials and accessories consumed

Particulars	Year Ended March 31, 2020
Inventory at the beginning of the year	6,314.86
Add : Adjustment due to Business Combination (Refer Note 39)	-
Add : Purchases during the year	12,824.31
	19,139.17
Less : Inventory at the end of the year	4,846.21
Total	14,292.96

Note 19 : Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year Ended March 31, 2020
Inventories at the end of the year	
Finished goods	1.39
Work-in-Progress	5,026.81
	5,028.20
Inventories at the beginning of the year	
Finished goods	1.39
Work-in-Progress	1,770.88
(Increase) / Decrease in Inventories	1,772.27
Total	(3,255.93)

Note 20 : Employee benefits expense

Particulars	Year Ended March 31, 2020
Salaries, Wages, Gratuity, Bonus and Commission (Refer Note 29)	1,438.26
Contribution to provident and other funds (Refer Note 29)	73.97
Staff welfare and training expenses	78.36
Share based payment to employees (Refer Note 32)	29.39
Total	1,619.98

Notes to the Consolidated Financial Statements

(₹ in Lakhs)

Note 21 : Finance costs

Particulars	Year Ended March 31, 2020
Interest expense on Financial Liabilities measured at amortised cost	
- Loans	36.06
- Others	21.74
Other borrowing cost	18.09
Total	**75.89**

Note 22 : Depreciation and amortization expense

Particulars	Year Ended March 31, 2020
Depreciation on Property, Plant and Equipments (Refer Note 5)	536.25
Amortization of Intangible assets (Refer Note 6)	355.58
Total	**891.83**

Note 23 : Other expenses

Particulars	Year Ended March 31, 2020
Power and fuel	178.92
Stores and spares consumed	658.65
Contract Labour Charges	1,591.18
Job Work Charges	624.94
Lease rent for Low-value assets (Refer note 33)	7.90
Royalty	439.68
Insurance	57.34
Printing, stationery and communication	38.27
Commission, Brokerage and Discount	3.51
Rates and taxes	9.50
Repairs :	
To Building	22.30
To Machineries	175.04
Freight, insurance and clearing charge	495.62
Inspection Fees	82.02
Retainership Fees	57.04
Advertisement and publicity	8.31
Legal and Professional charges	47.77
Expenditure under CSR Activity (refer note 34)	40.00
Conveyance and Travelling expenses	48.46
Director's sitting fees	4.00
Bad Debts written off	105.71
Auditor's remuneration (refer note (i) below)	12.20
Bank charges	115.78
Miscellaneous expenses	203.70
Total	**5,027.84**

Notes to the Consolidated Financial Statements

(₹ in Lakhs)

(i) Break up of Auditor's remuneration

Particulars	Year Ended March 31, 2020
Payment to Auditors as	
Auditors	7.38
For Other Services	3.82
For reimbursement of expenses	1.00
Total	12.20

Note 24 : Income tax

The major component of income tax expense for the years ended March 31, 2020 and March 31, 2020 are as follows:

Particulars	Year ended March 31, 2020
Statement of Profit and Loss	
Current income tax	1,752.00
Deferred tax expense/(credit)	251.40
Income tax expense in the Statement of Profit and Loss	2,003.40
Statement of Other comprehensive income (OCI)	
Deferred tax expense/(credit)	(3.81)
Income tax expense/(credit) recognised in OCI	(3.81)

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate

A. Current tax

Particulars	Year Ended March 31, 2020
Accounting profit before tax	6,300.24
Tax Rate	29.12%
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	1,834.63
Adjustment	
On account of revaluation of tax base of non-depreciable assets (due to indexation benefit)	(23.56)
Expenditure not deductible for tax/not liable to tax	5.44
Other Adjustment	186.89
Total income tax expense	2,003.40
Effective tax rate	31.80%

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. Significant components of Deferred tax (assets) & liabilities recognized in the financial statements of the Company as follows:

(₹ in Lakhs)

Particulars	Balance Sheet as at March 31, 2020	Balance Sheet as at Adjustment due to Business consolidation	Statement of Profit and Loss and OCI for the year ended on March 31, 2020
Accelerated depreciation for tax purposes	(1,151.27)	(896.67)	254.60
Impact of fair valuation of Land	(389.16)	(412.72)	(23.56)
Expenditure allowable on payment basis	25.61	32.01	6.40
Expenditure allowable over the period (Section 35D)	6.61	8.81	2.20
Others	(0.07)	7.88	7.95
Deferred tax expense/(income)			**247.59**
Net deferred tax liabilities	**(1,508.28)**	**(1,260.69)**	
Reflected in the balance sheet as follows			
Deferred tax liabilities	(1,540.50)	-	
Deferred tax assets	32.22	-	
Deferred tax liabilities (net)	**(1,508.28)**	**-**	

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 25 : Contingent liabilities

Particulars	As at March 31, 2020
Contingent liabilities not provided for	
Guarantees given by banks on behalf of the Company	**13,461.56**

Note 26 : Capital commitment and other commitments

Particulars	As at March 31, 2020
(a) Capital commitments	**630.46**
(b) Other commitments	**-**

Note 27 : Foreign Exchange Derivatives and Exposures not hedged

The Group 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.

However, the Group does not have any of derivative contracts outstanding as at reporting date.

Notes to the Consolidated Financial Statements

(₹ in Lakhs)

Exposure Not Hedged

Nature of exposure	Currency	As at March 31, 2020 FC	As at March 31, 2020 ₹ in Lakhs
Receivables	USD	10,38,354	785.67
Payable to creditors	USD	36,107	27.32
	EURO	9,701	8.03

Note 28 : 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 Group.

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.

Particulars	Year Ended March 31, 2020
Segment Revenue*	
(a) In India	**21,632.60**
(b) Rest of the world	**2,913.54**
Total	**24,546.14**
Carrying Cost of Segment Non Current Assets@	
(a) In India	**18,482.00**
(b) Rest of the world	-
Total	**18,482.00**

* 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. 4 customers have accounted for more than 10% of the Company's revenue for the years ended March 31, 2020.

Note 29 : Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of ₹ 55.75 Lakhs is recognised as expenses and included in Note No. 20 "Employee benefit expense".

Particulars	Year Ended March 31, 2020
(i) Contribution to Provident Fund and Pension [Note (a)]	**55.75**
(ii) Contribution to Superannuation Fund [Note (b)]	**-**
Total	**55.75**

Notes to the Consolidated Financial Statements

Note (a) Employees of the Group receive benefits from a provident fund, which is a defined contribution plan. The eligible employees and the Group make monthly contributions to the provident fund plan equal to a specified percentage of the employees' salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The remaining portion is contributed to the government-administered pension fund. Employees of the Group receive benefits from a government administered provident fund, which is a defined contribution plan. The Group has no furtherobligation to the plan beyond its monthly contributions. Such contributions are accounted for as defined contribution plans and are recognised as employee benefits expenses when they are due in the Statement of profit and loss.

(b) The Group's Superannuation Fund is administered by Life Insurance Group. The Group has no further obligations to the plan beyond its contribution.

B. Defined benefit plans:

The Group has following post employment benefit plans which are in the nature of defined benefit plans:

Gratuity

The Group 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 Group 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 Group 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 Group 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.

Changes in defined benefit obligation and plan assets as at March 31, 2020:

(₹in Lakhs)

Particulars	Adjustment due to consolidation	Charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					As at March 31, 2020
		Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 21)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in Experience adjustments	Sub-total included in OCI	
Gratuity											
Defined benefit obligation	72.17	14.18	5.60	19.78	(2.45)	-	-	(8.85)	(3.95)	(12.80)	102.30
Fair value of plan assets	(66.92)	-	(5.20)	(5.20)	-	-	-	-	(0.27)	(0.27)	(71.85)
Net Benefit liability/(asset)	**5.25**	**14.18**	**0.40**	**14.58**	**(2.45)**	**-**	**-**	**(8.85)**	**(4.22)**	**(13.07)**	**30.45**

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, 2020 (%) of total plan assets
Insurance fund	100.00%
(%) of total plan assets	**100.00%**

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	As at March 31, 2020
Discount rate	6.87%
Future salary increase	8.00%
Expected rate of return on plan assets	6.87%
Attrition rate	5.00%
Mortality rate during employment	Indian Assured lives Mortality (2006-08)
Mortality rate after employment	NA

Notes to the Consolidated Financial Statements

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) As at March 31, 2020**
Gratuity		
Discount rate	1% increase	**(9.87)**
	1% decrease	**11.61**
Salary increase	1% increase	**10.63**
	1% decrease	**(9.17)**
Attrition rate	1% increase	**(1.10)**
	1% decrease	**1.23**

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 :

Particulars	**As at March 31, 2020**
Gratuity	
Within the next 12 months	**5.75**
Between 2 to 5 years	**21.06**
Beyond 5 years	**219.11**
Total expected payments	**245.92**

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	**As at March 31, 2020 In Years**
Gratuity	**12**

Prescribed contribution for next year - ₹ 39.67 Lakhs.

C. Other Long term employee benefit plans:

Leave encashment

The Group 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 liability of leave encashment is funded through Life Insurance Corporation.

The Group has recognised ₹ 26.81 Lakhs as expenses and included in Note No. 20 "Employee benefit expense".

Notes to the Consolidated Financial Statements

Note 30 : 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
4	Mr. Arpit Patel	Independent Director
5	Ms. Reena Bhagwati	Independent Director
6	Mr. Ganpatraj Chowdhary	Independent Director
7	Mr. Rishi Roop Kapoor	Chief Executive Officer
8	Mr. Rakesh Poddar	Chief Financial Officer
(II)	**Enterprise over which Key Management Personnel are able to exercise significant influence**	
1	Arvind Limited	
2	Arvind Envisol Limited	
3	Atul Limited	
(III)	**Trusts**	
1	The Anup Engineering Limited Employees' Gratuity Fund Trust	

B Disclosure in respect of Related Party Transactions : (₹in Lakhs)

Particulars	Key Management Personnel	Enterprise over which Key Management Personnel are able to exercise significant influence	Trust
	Year end / as at March 31, 2020	Year end / as at March 31, 2020	Year end / as at March 31, 2020
(I) Transactions during the year			
Remuneration	354.76	-	-
Sitting Fees paid	4.00	-	-
Services rendered	-	25.93	-
Interest Income	-	207.83	-
Loan received back	-	4,436.00	-
(II) Balances at year end			
Trade and Other Payable	-	302.43	0.33

(c) Terms and conditions of transactions with related parties

(1) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than loan given, at the year-end are unsecured and interest free and settlement occurs in cash.

(2) Loans in INR given to the related party carries interest rate of 8.80% (March 31, 2019: 8.80%).

(d) Commitments with related parties

The Group has not provided any commitment to the related party as at March 31, 2020.

Notes to the Consolidated Financial Statements

(e) Transactions with key management personnel

Compensation of key management personnel of the Group

(₹ in Lakhs)

Particulars	**Year Ended March 31, 2020**
Short-term employee benefits	**311.94**
Termination benefits	**14.20**
Share based payments	**28.62**
Total compensation paid to key management personnel	**354.76**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

Note 31 : Earning per share

Particulars		**Year Ended March 31, 2020**
Profit attributable to ordinary equity holders	₹ in Lakhs	**4,296.83**
Weighted average number of equity shares for basic EPS (a)	No.	**1,01,97,889**
Effect of potential Ordinary shares on Employee Stock Options outstanding (b)	No.	**39,399**
Weighted average number of Ordinary shares in computing diluted earnings per share (a) + (b)	No.	**1,02,37,288**
Nominal value of equity shares	₹	**10**
Basic earning per share	₹	**42.13**
Diluted earning per share	₹	**41.97**

Note 32 : Share based payments

A. The Company has instituted Employee Stock Option Scheme 2018 ("ESOP 2018"), Employee Stock Options Scheme (Demerger) 2018 ("ESOS DEMERGER 2018") and Anup Employee Stock Option Scheme 2019 ("Anup - ESOS 2019") pursuant to the approval of the shareholders of the Company to the Scheme in their Meetings held on 12th May 2018, 12th May 2018 and 7th August 2019 respectively. Under ESOP 2018, ESOS DEMERGER 2018 and Anup – ESOS 2019, the company has granted options convertible into equal number of Equity Shares of face value of ₹ 10 each to its certain employees. The following table sets forth the particulars of the options issued and vested under ESOP 2018, ESOS DEMERGER 2018 and Anup – ESOS 2019:

Scheme	**Anup – ESOS 2019**		**ESOS 2018**	**ESOS DEMERGER 2018**
Date of grant	24th October 2019		-	-
Expiry Date	5 years from the date of vesting		5 years from the date of grant	5 years from the date of grant
Number of options granted	30,000	7,500	-	-
Exercise price per option	464.40	10.00	-	-
Fair Value of option on Grant date			-	-
Vesting schedule	50% Vesting on 31st May 2022 and 31st May 2023 each	Vesting on 31st May 2024	Vesting on 31st March 2021	25,038 options vested
Vesting requirements	Performance based vesting		Performance based vesting	Time based vesting
Exercise period	5 years from the date of vesting		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	Equity

Notes to the Consolidated Financial Statements

(₹ in Lakhs)

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 :

Particulars	Year Ended March 31, 2020					
	Anup ESOS 2019		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	-	-	87,500	151.43	58,371	324.69
Vested but not exercised at the beginning of the year	-	-	-	-	-	-
Granted during the year	37,500	373.52	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	-	-	-	-	5,556	244.02
Expired during the year	-	-	-	-	-	-
Outstanding at the end of the year	37,500	373.52	87,500	151.43	52,815	333.18
Exercisable at the end of the year	-	-	-	-	52,815	333.18

C. Share Options Exercised during the year

Option Series	No. of Options	Exercise Date	Weighted Average Share Price at Exercise Date
ESOS DEMERGER 2018	5,556	18th July 2019	244.02

D. Share Options Outstanding at the end of the year

Particulars	Anup - ESOS 2019	ESOS 2018	ESOS DEMERGER 2018
For stock options outstanding at the end of the year, the range of exercise prices and the weighted average remaining contractual life (comprising the vesting period and the exercise period)	Exercise price range – ₹ 151.43Weighted average remaining contractual life – 6.00 years	Exercise price range – ₹ 244.02 to ₹ 385.29Weighted average remaining contractual life – 2.28 years	Exercise price range – ₹ 10.00 to ₹ 464.40Weighted average remaining contractual life – 8.37 years

E. Assumptions used during the year for options granted

Particulars	Anup - ESOS 2019
1 Risk free interest rate	6.37% p.a
2 Expected life	4.20 years
3 Expected volatility	49.68%
4 Expected dividend	0%
5 Fair value of the underlying share at the time of grant of the option	₹ 475.50

Notes to the Consolidated Financial Statements

F. 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, 2020
Share Based Payment to Employees	29.39

Note 33 : Leases

A. For transition as on April 1, 2019, the Group has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Group has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

On transition, the Group does not have any leases except for low value assets lease.

B. The Company incurred ₹ 7.90 Lakhs for the year ended March 31, 2020 towards expenses relating to leases of low-value assets.

Note 34: Disclosure in respect of Corporate Social Responsibility (CSR) Activities

Particulars	As at March 31, 2020
a) Gross amount required to be spent by the Company during the year	39.19
b) Amount spend during the year (in cash)	
i) Construction/ acquisition of any asset	-
ii) on purposes other than (i) above	40.00
c) Amount unspent during the year	-

Note 35: Financial Instruments by category

(i) Financial assets by category

Particulars	As at March 31, 2020			
	Cost	Fair value through Profit and Loss (FVTPL)	Amor-tised cost	Total
Investments:				
Equity shares	-	-	-	-
Mutual funds	-	2,389.31	-	2,389.31
Trade receivables	-	-	6438.51	6,438.51
Cash and cash equivalents	-	-	190.30	190.30
Other bank balances	-	-	13.39	13.39
Other financial assets	-	-	73.75	73.75
Total Financial assets	-	2,389.31	6,715.95	9,105.26

Notes to the Consolidated Financial Statements

(ii) Financial liabilities by category (₹ in Lakhs)

Particulars	As at March 31, 2020	
	Amortised cost	Total
Trade payable	2,319.27	2,319.27
Other Financial Liabilities	229.44	229.44
Total Financial liabilities	**2,548.71**	**2,548.71**

For Financial instruments risk management objectives and policies, refer Note 37.

Note 36 : Fair value disclosures for financial assets and financial liabilities

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

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 price 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.

Note 37 : Financial instruments risk management objectives and policies

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, 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 Group's activities.

The Group's risk management is carried out by a Treasury department under policies approved by the Board of directors. The Group's treasury identifies, evaluates and hedges financial risks in close co-operation with the Group'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 Group's profits or the value of its holding of financial instruments. The Group 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 Group is exposed to interest rate risk of short-term and long-term floating rate instruments and on the refinancing of fixed rate debt. The Group'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 Group 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 Group's profit before tax is affected through the impact on floating rate borrowings as follows:

Particulars	Effect on profit before tax March 31, 2020
Increase in 50 basis points	-
Decrease in 50 basis points	-

(a2) Foreign currency risk

The Group'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 Group. The major foreign currency exposures for the Group are denominated in USD and EURO.

Since a part of the Group'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 Group's performance. Exposures on foreign currency sales are managed through the Group's hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Group 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 Group 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 Group. Hedge effectiveness is assessed on a regular basis.

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 Group's exposure to foreign currency changes for all other currencies is not material.

(₹ in Lakhs)

Particulars	Change in Currency rate	Effect on profit before tax in USD rate	Effect on profit before tax in EURO rate
March 31, 2020	+2%	15.17	(0.16)
	-2%	(15.17)	0.16

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.

Notes to the Consolidated Financial Statements

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. 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 Group 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 Group'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 Group 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 Group does not expect any material risk on account of non-performance by any of the Group's counterparties. The Group 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, 2020 and March 31, 2019.

Trade receivables are non-interest bearing and are generally on 30 days to 180 days credit term.

With respect to derivatives, the Group'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 Group 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 Group 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 Group closely monitors its liquidity position and deploys a robust cash management system.

The Group requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

(₹ in Lakhs)

Particulars	**< 1 year**	**>1 year but < 5 years**	**more than 5 years**	**Total**
Year ended March 31, 2020				
Trade payables	2,206.94	112.33	-	2,319.27
Other financial liabilities	229.44	-	-	229.44
	2,436.38	**112.33**	**-**	**2,548.71**

Note 38 : Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group'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 Group 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 Group 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 Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance). The Group is not subject to any externally imposed capital requirements.

(₹ in Lakhs)

Particulars	As at March 31, 2020
(a) Interest bearing loans and borrowings (Note 13)	-
(b) Less: cash and bank balance (including other bank balance)	203.69
(c) Net debt (a) - (b)	(203.69)
(d) Equity share capital (Note 11)	1,019.95
(e) Other equity (Note 12)	31,271.50
(f) Total capital (d) + (e)	32,291.45
(g) Total capital and net debt (c) + (f)	32,087.76
(h) Gearing ratio (c)/(g)	-0.63%

In order to achieve this overall objective, the Group'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.

Note 39 : Business Combination (Year 2018-19)

(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.

(II) Summary of acquisition

(a) Amalgamation of The Anup Engineering Limited with the Company

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 Consolidated 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**	
ASSETS			
Property, plant and equipment	7,575.92	911.79	**8,487.71**
Intangible assets	25.33	3,500.00	**3,525.33**
Inventories	3,312.06	1,854.39	**5,166.45**
Trade receivables	6,387.76	114.47	**6,502.23**
Loans	4,456.35	-	**4,456.35**
Cash and bank balances	55.27	0.60	**55.87**
Others financial assets (current and non-current)	23.25	656.37	**679.62**
Current tax assets (net)	73.55	(7.01)	**66.54**
Other assets (current and non-current)	1,936.14	516.50	**2,452.64**
Total Assets acquired (A)	**23,845.63**	**7,547.11**	**31,392.74**
LIABILITIES			
Non-current liabilities			
Borrowings	184.05	3,178.00	**3,362.05**
Trade payables	2,896.64	225.23	**3,121.87**
Other financial liabilities (current and non-current)	29.03	8.97	**38.00**
Provisions (current and non-current)	89.57	0.46	**90.03**
Deferred tax liabilities (net)	1,068.48	7.00	**1,075.48**
Other current liabilities	895.21	0.85	**896.06**
Total Liabilities assumed (B)	**5,162.98**	**3,420.51**	**8,583.49**
Net assets acquired (A) - (B)	**18,682.65**	**4,126.60**	**22,809.25**

(e) Calculation of Goodwill / Capital Reserve

Particulars	Anup	Engineering Div.	Total
Purchase consideration paid in cash	3,184.87	49,558.69	**52,743.56**
Controlling Interest in the amalgamated entity	-	656.37	**656.37**
Less: Net identifiable assets acquired as stated above	(18,682.65)	(4,126.60)	**(22,809.25)**
Total Goodwill /(Capital Reserve) on acquisition of controlling interest adjusted against Securities Premium	**(15,497.78)**	**46,088.46**	**30,590.68**

Note 40 : Impact of Covid-19

The spread of COVID-19 has severely impacted businesses around the globe. It has caused severe effects on the economy, world over including India due to lockdowns, disruptions in transportation, supply chain, travel plans, quarantines, social distancing and other emergency measures.

The Group is engaged in the business of manufacturing of engineering goods. The business of the Group is also affected by this disruption. The effects such as lower than normal business, other disruptions are expected to have continuing effect at least for the next two quarters based on current assessment.

Notes to the Consolidated Financial Statements

However, the Group has made detailed assessment of the liquidity position for the next one year and of the recoverability and carrying value of its assets comprising Property, Plant and Equipment, Intangible Assets, Trade Receivables, inventory as at balance sheet date and has made appropriate adjustment along with adjustment to revenue recognition and actuarial assumptions. In assessing the recoverability of its assets including receivables and inventories, the Group has considered internal and external information up to the date of approval of these financial statements including economic forecasts. The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Group will continue to closely monitor any material changes to future economic conditions

Note 41 : Standards issued but not yet effective

There are no standards or interpretations which are notified but not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods.

Note 42 : Events occurring after the reporting period

The Board of Directors recommended dividend of ₹ 7 per equity share (March 31, 2019 : ₹ 7) of face value of ₹ 10 each, which is subject to approval by shareholders of the Group.

Note 43: Interest in Other Entities

The Consolidated Financial Sttements present the consolidated accounts of The Anup Engineering Limited with its subsidiary

Sr. No.	Name of Entity	Country of Incorporation	Activities	Proportion of ownership of interest As at March 31, 2020
	Subsidiaries			
1	Anup Heavy Engineering Limited	India	Engineering Goods	100%

Note 44 : Disclosures Mandated by Schedule III of Companies Act 2013

(₹in Lakhs)

Name of the Entities	2019-20							
	Net Assets i.e. Total Assets Minus Total Liabilities		Share in Profit		Share in Other comprehensive Income		Share in Total comprehensive Income	
	As a % of Consolidation net assets	₹	As a % of Consolidation net assets	₹	As a % of Consolidation net assets	₹	As a % of Consolidation net assets	₹
Parent								
The Anup Engineering Limited	100%	32,290.46	100%	4,296.84	100%	(9.26)	100%	4,287.58
Subsidiary								
Anup Heavy Engineering Limited	0%	0.99	0%	(0.01)	0%	0.00	0%	(0.01)
Sub Total	100%	**32,291.45**	100%	**4,296.83**	100%	**(9.26)**	100%	**4,287.57**
Inter Company Eliminations and Consolidations Adjustment		-		-		-		-
Total		**32,291.45**		**4,296.83**		**(9.26)**		**4,287.57**

Note 45 : Previous Year's Figures

As this is the first year of consolidation, disclosure of previous year's figures is not applicable.

FORM AOC - 1

(Pursuant to first proviso to sub - section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

STATEMENT CONTAINING SAILENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/JOINT VENTURES

Part "A": Subsidiaries

Amount in ₹

Sr.	Particulars	Anup Heavy Engineering Limited
1	Name of the subsidiary	Anup Heavy Engineering Limited
2	The date since when subsidiary was Acquired	20.12.2019
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	20.12.2019 to 31.03.2020
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR
5	Share capital	1,00,000
6	Reserves & surplus	(700)
7	Total assets	99,900
8	Total Liabilities	600
9	Details of Investment	NIL
10	Turnover	NIL
11	Profit/(Loss) before Taxation	(700)
12	Provision for Taxation	NIL
13	Profit/(Loss) after Taxation	(700)
14	Proposed Divided	NIL
15	% of Shareholding	100%

The following information shall be furnished at the end of the statement:

1 Names of subsidiaries which are yet to commence operations: None

2 Names of subsidiaries which have been liquidated or sold during the year: None

STATEMENT CONTAINING SAILENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/JOINT VENTURES

Part "B": Joint Venture

None

The following information shall be furnished at the end of the statement:

1 Names of Associates or Joint Ventures which are yet to commence operations: None

2 Names of Associates or Joint Ventures which have been liquidated or sold during the year: None

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

Sanjay S Lalbhai
Chairman
DIN:00008329

Punit S. Lalbhai
Director
DIN : 05125502

Rakesh Kumar Poddar
Chief Financial Officer

Chintankumar Patel
Company Secretary

Place: Ahmedabad
Date: 24th June 2020

The Anup Advantages

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

Excellence

- More than 55 years of experience in fabrication of different type of HE
- With Wide Range of metallurgies

Efficient

- Unparalleled Delivery Record
- Versatile and Flexible : Offer equipment from 20 MT to 400 MT weight
- Managing Large Project concurrently

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