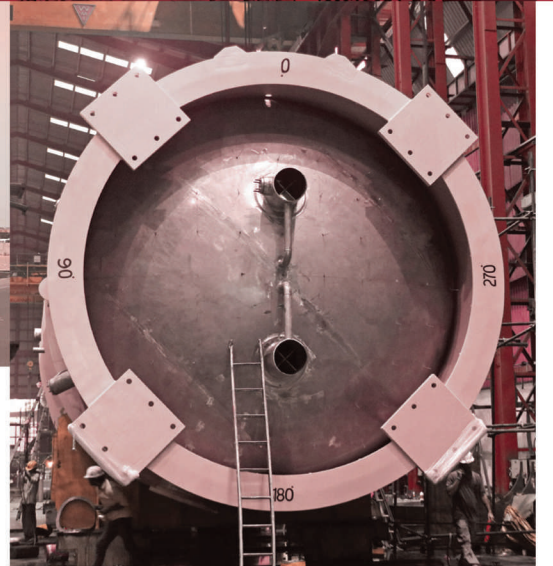




# Engineering Growth Mindset



## 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

### Risk Management Committee

Mr. Punit S. Lalbhai	Chairman
Ms. Reena Bhagwati	Member
Mr. Rishi Roop Kapoor	Member

### Key Managerial Personnel

Mr. Rishi Roop Kapoor	Chief Executive Officer
Mr. Bhavesh Shah	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  
IndusInd Bank Limited

### Registered/ Corporate Office

The Anup 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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## Message From CEO

Dear Shareholders,

The last financial year 2021-22 has been the toughest and the most challenging in the past decade. The uncertainty after the second COVID wave meant impact on operations, disruptions in supply chain and delayed project sites. Despite these challenges and uncertainties Team Anup collectively reaffirmed your company's leadership position in the process equipment business yet again. This performance against all odds has been commended and appreciated by our customers who see in us a reliable partner in challenging times like these.

Though in terms of numbers, this year was a year of muted growth with our revenues at ₹288 Crores compared to ₹279 Crores in FY21 and EBITDA remained at ₹70 Crores as compared to ₹68.8 Crores in FY21. PAT grew to ₹62 Crores as compared to ₹54 Crores in FY21, up by 16%. Apart from some extremely complex equipment executed by us in this year, we also were able to book significant orders which enabled us to strengthen our order book to an all time high of almost ₹400 Crores as on 31st March 2022. The order book clearly reflects our focus to build great references for future growth and is in complete synergy with our long term strategy with respect to our existing facility at Odhav and the upcoming one at Kheda.

On the capex front we were able to make significant progress by achieving some important milestones including the new L1 bay with lifting capacity of 150 Ton along with clean room facility which will allow us to tap the exotic material segment and upgradation of existing bays. We were also able to notch up rapid progress in construction of our new facility at Kheda which will be the cornerstone for future growth.

The new financial year FY23 presents to us opportunities and challenges in equal measure. On one hand we have a great order book which gives us a real chance to achieve substantial growth in terms of revenue. In terms of challenges, with the order inflow coinciding with the geopolitical situation in Europe which led to a big spike in material prices, we have our task clearly cut out which is to minimise the impact of this extraordinary increase in our raw material costs & to maintain our industry leading position in terms of profitability. With the kind of references that we are building for the future in terms of order mix, we plan to build our team across functions and to reach out to new customers and new industry segments to enable us to carry forward the momentum of growth to beyond FY23.

As always we are grateful to our shareholders, customers, supply chain partners and all associates who stood by us through these testing times.

**Best regards,**

**Rishi Roop Kapoor**  
Chief Executive Officer

## Notice

Notice is hereby given that the **5th (Fifth)** Annual General Meeting (“AGM”) of the Members of **The Anup Engineering Limited** will be held on Monday, 8th August 2022 at 11:00 a.m. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following businesses:

### 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 2022 and the Reports of the Board of Directors and Auditors thereon.
- 2 To declare dividend on Equity Shares.
- 3 To appoint a Director in place of Mr. Sanjay S. Lalbhai (holding DIN 00008329), who retires by rotation in terms of Article 168 of the Articles of Association of the company and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

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

RESOLVED THAT pursuant to the provisions of Section 148 and other provisions, if any, of the Companies Act 2013, read with 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 ₹ 30,000 (Rupees Thirty 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. 101527 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 2023.

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: Behind 66 KV Elec. Sub-Station, Ahmedabad-382415  
Date: 17th May 2022

By order of the Board  
For The Anup Engineering Limited  
**Chintankumar Patel**  
Company Secretary  
Membership No. A29326

### NOTES

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs, Government of India (“MCA”) has issued General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021 and 02/2022 dated 8th April 2020, 13th April 2020, 5th May 2020, 13th

January 2021, 8th December 2021, 14th December 2021 and 5th May 2022, respectively, (“MCA Circulars”) and Securities and Exchange Board of India vide its circular dated 13th May 2022 read with 12th May, 2020 and 15th January 2021 (“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 (“Listing Regulations”) and MCA Circulars, the AGM of the Company will be held through VC / OAVM. **Hence, Members can attend and participate in the 5th AGM through VC/OAVM only.** The deemed venue for the 5th AGM of the Company shall be the Registered Office of the Company. The detailed procedure for participating in the meeting through VC/OAVM is explained in the subsequent notes of this Notice.

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 and SEBI 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 Tuesday, the 2nd August 2022 to Monday, the 8th August 2022 (both days inclusive).
4. **DIVIDEND:** The dividend on equity shares for the year ended 31st March 2022, 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 Monday, the 1st August 2022 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 Monday, the 1st August 2022.
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. 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, 2019-20 and 2020-21 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.
7. 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 2021-22 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 2021-22 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>.
8. 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.
9. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
10. 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.
11. 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.
12. 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](mailto:investorconnect@anupengg.com).
13. SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated 3rd November 2021 has mandated the listed companies to have PAN, Contact details, Postal address with PIN, Mobile number, E-mail address, Bank account details (bank name and branch, bank account number, IFS code), Specimen Signature and Nomination of all shareholders holding shares in physical form. Folios wherein any one of the above cited details / documents are not available with company on or after 1st April 2023, shall be frozen as per the aforesaid SEBI circular. The investor service requests forms for updation of above mentioned details viz., Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 are available on our website of the company as well as on the website of RTA. In view of the above, we urge the shareholders to submit the Investor Service Request form along with the supporting documents at the earliest. The Company has sent a letter to the shareholders holding shares in physical form in relation to the aforesaid on 3rd May 2022. In respect of shareholders who hold shares in the dematerialized form and wish to update their above mentioned details are requested to contact their respective Depository Participants.
14. In accordance with SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated 7th September 2020 all share transfers shall be carried out compulsorily in the dematerialised form with effect from 1st April 2021. Hence no transfer of shares in physical form are allowed. Further, in compliance with SEBI vide its circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25th January 2022, the following requests received by the Company in physical form will be processed and the shares will be issued in dematerialization form only: i. Issue of duplicate share certificate, ii. Claim from unclaimed suspense account, iii. Renewal/Exchange of securities certificate, iv. Endorsement, v. Sub-division / splitting of securities certificate, vi. Consolidation of securities certificates/folios, vii. Transmission, viii. Transposition. For this purpose, the securities holder/claimant shall submit a duly filled up Form ISR-4 which is hosted on the website of the company as well as on the website of Registrar and share transfer agent (RTA) The aforementioned form shall be furnished in hard copy form. **Members holding shares in physical form are requested to dematerialize their holdings at the earliest.**
15. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
16. Since the AGM will be held through VC / OAVM, the Route Map is not annexed with Notice.



**17. 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, Company Secretary, Ahmedabad has been appointed as the Scrutinizer to scrutinize the e-Voting during the AGM and remote e-Voting in a fair and transparent manner.
- IV. The Results of voting will be declared within two working days 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. Monday, the 1st August 2022. 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 Friday, 5th August 2022
  - b. End of remote e-Voting: 5.00 P.M. (IST) on Sunday, 7th August 2022
  - 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](mailto: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:**

**How do I vote electronically using NSDL e-Voting system?**

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

Step 1: Access to NSDL e-Voting system

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





**Step 1: Access to NSDL e-Voting system**

**(A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at</li> </ol>

Type of shareholders	Login Method
	<p><a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select “Register Online for IDEAS” Portal or click at <a href="https://eservices.nSDL.com/SecureWeb/ideasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/ideasDirectReg.jsp</a></p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digits demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <p> </p> <p> </p>
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on NewSystemMyeasi.</p> <p>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at</p>

Type of shareholders	Login Method
	<p><a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nSDL.co.in">evoting@nSDL.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 2244 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022- 23058542-43

**(B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**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. Password details for shareholders other than Individual shareholders 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, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

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](http://www.evoting.nsdl.com).
  - b) “**Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto: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.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

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

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company which is The Anup Engineering Limited for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**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](mailto:csankitapatel@gmail.com) with a copy marked to



[evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

- 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](http://www.evoting.nsdl.com) to reset the password.
- 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](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

- In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [investorconnect@anupengg.com](mailto:investorconnect@anupengg.com).
- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [investorconnect@anupengg.com](mailto:investorconnect@anupengg.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
- Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**Instructions for members for e-Voting on the day of the AGM:**

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

- 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.
- 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.
- 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.

**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 (For temporary update their email address)	Visit the link: <a href="https://web.linkintime.co.in/EmailReg/EmailRegister.html">https://web.linkintime.co.in/EmailReg/EmailRegister.html</a> 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.

**18. Instructions for Members for attending the AGM through VC / OAVM:**

- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the 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 to avoid last minute rush.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 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.

5. Shareholders/Members, who need assistance before or during the AGM, can contact NSDL official Ms. Sarita Mote on Toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
6. Members seeking any information with regard to the annual accounts for 2021-22 or any business to be dealt at the AGM, are requested to send e-mail on [investorconnect@anupengg.com](mailto:investorconnect@anupengg.com) on or before Monday, the 1st August 2022 along with their name, DP ID and Client ID/folio number, PAN and mobile number. The same will be replied by the Company suitably.
7. 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](mailto:investorconnect@anupengg.com) on or before Monday, the 1st August 2022. 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: 17th May 2022

By order of the Board  
For The Anup Engineering Limited  
**Chintankumar Patel**  
Company Secretary  
Membership No. A29326

## **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 2022-23 and fixed the remuneration of ₹ 30,000/- (Thirty 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 2022-23.

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: 17th May 2022

By order of the Board  
For The Anup Engineering Limited  
**Chintankumar Patel**  
Company Secretary  
Membership No. A29326

**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)**

<b>Name of the Director</b>	<b>Mr. Sanjay S. Lalbhai</b>
Director Identification Number (DIN)	00008329
Date of Birth	10th April 1954
Nationality	Indian
Date of Appointment	25th October 2017
Qualification	Bachelor of Science and Masters in Management Studies
Expertise in specific functional Area and experience	Refer report on Corporate Governance
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 31.03.2022 (excluding Foreign, private and Section 8 companies)	1. Arvind Limited 2. Arvind SmartSpaces Limited 3. Arvind Fashions Limited
Membership of Committees in other Public Limited Companies	<b>Arvind Limited</b> Stakeholders' Relationship Committee – Member Corporate Social Responsibility Committee – Member <b>Arvind SmartSpaces Limited</b> Stakeholders' Relationship Committee – Chairman Corporate Social Responsibility Committee – Chairman Nomination and Remuneration Committee – Member
No. of Shares held in the Company as on 31.03.2022 (Face Value ₹10/- per share)	1456
Number of meetings of the Board attended during the Financial Year 2021-22	Refer report on Corporate Governance
Relationship with other Directors, Manager and Key Managerial Personnel of the Company	Mr. Sanjay S. Lalbhai is father of Mr. Punit S. Lalbhai, Non-Executive Director of the Company



# Directors' Report

To,  
The Members,

Your Directors are pleased to present the Fifth Annual Report together with the Audited Financial Statements of the company for the financial year ended on 31st March 2022.

## 1 FINANCIAL PERFORMANCE

The Audited Standalone and Consolidated Financial Statements of the Company as on 31st March 2022 are prepared in accordance with the relevant applicable IND AS and provisions of the Companies Act, 2013.

The summarized financial highlight is depicted below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Revenue from operations	28,824.16	27,912.96	28,824.16	27,912.96
Other Income	454.02	372.78	376.77	355.43
<b>Total Income</b>	<b>29,278.18</b>	<b>28,285.74</b>	<b>29,200.93</b>	<b>28,268.39</b>
Profit before Finance Cost, Depreciation & Amortization and Tax Expenses	7,454.39	7,255.64	7,374.59	7,231.53
Finance Cost	103.15	34.44	103.15	34.44
Depreciation & Amortization	1,159.22	1,050.59	1,159.22	1,050.59
<b>Profit Before Tax</b>	<b>6,192.02</b>	<b>6,170.61</b>	<b>6,112.22</b>	<b>6,146.50</b>
(i) Provision for Taxation (Current)	1,545.00	1,515.00	1,545.00	1,515.00
(ii) Deferred Tax	(80.85)	(29.22)	(80.85)	(29.22)
(iii) Provision for tax of earlier years	(1,557.37)	(691.60)	(1,557.37)	(691.60)
<b>Profit After Tax</b>	<b>6,285.24</b>	<b>5,376.43</b>	<b>6,205.44</b>	<b>5,352.32</b>
Non-Controlling Interest	-	-	-	-
Net Profit after Non-Controlling Interest	-	-	-	-
Other Comprehensive income	(4.32)	(1.98)	(4.32)	(1.98)
<b>Total Comprehensive Income/(Expenses)</b>	<b>6,280.92</b>	<b>5,374.45</b>	<b>6,201.12</b>	<b>5,350.34</b>

\* There is negligible impact on Company's financials as its Subsidiary has not yet started its operation during the year under review.

## 2 PERFORMANCE REVIEW AND THE STATE OF COMPANY'S AFFAIRS

### On Standalone Basis

The total income of the Company was ₹ 29,278.18 Lakhs during the year as against ₹ 28,285.74 Lakhs in the previous year. The Company has reported net profit of ₹ 6,285.24 Lakhs during the year under review as against profit of ₹ 5,376.43 Lakhs in the previous year.

### On Consolidated Basis

The consolidated total income of the Company was ₹ 29,200.93 Lakhs during the year as against ₹ 28,268.39 Lakhs in the previous year. The Company has reported consolidated net profit of ₹ 6,205.44 Lakhs during the year under review as against profit of ₹ 5,352.32 Lakhs in the previous year.

### Order Book

All time high opening order book of ₹ 393 Crores.

## 3 DIVIDEND

The Board of Directors have recommended a final dividend of ₹ 8.00 (80%) per equity share of ₹ 10/- each for the year ended on

31st March 2022. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting. The final dividend on equity shares, if approved by the members, would involve a cash outflow of ₹ 7.90 Crores.

## 4 DIVIDEND DISTRIBUTION POLICY

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board of the Company has adopted a Dividend Distribution Policy, which is available on the website of the Company at [www.anupengg.com](http://www.anupengg.com) > Investors > Policies.

## 5 TRANSFER TO RESERVES

As permitted under the provisions of the Companies Act, 2013, the Board does not propose to transfer any amount to general reserve.

## 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. The Authorised share capital of the company as on 31st March 2022 stood at ₹ 65,25,00,000/- divided into 6,52,50,000 equity shares of ₹10/- each.

**Allotment of Shares**

During the year company has allotted 50,000 Equity Shares to the eligible employees on exercise of the options granted under The Anup Engineering Limited - Employee Stock Option Scheme - 2018.

During the year under review, the Company has neither issued shares with differential voting rights nor sweat equity shares.

Consequently, post allotment the paid-up share capital of company as on 31st March 2022 stood at ₹ 9,88,11,500/- divided into 98,81,150 equity shares of ₹10/- each.

**8 EMPLOYEE STOCK OPTION SCHEMES (ESOS)**

The Company has instituted three schemes viz, The Anup Engineering Limited - Employee Stock Option Scheme - 2018 ("TAEI ESOS - 2018"), The Anup Engineering Limited - Employee Stock Option Scheme (Demerger) - 2018 ("TAEI ESOS (DEMERGER) - 2018") and ANUP - Employee Stock Option Scheme - 2019 ("ANUP - ESOS 2019").

The Company has issued 87,500 options under TAEI ESOS - 2018, 58,371 options under TAEI ESOS (DEMERGER) - 2018 and 57500 options under Anup - ESOS 2019 up to 31st March 2022. All these options are convertible into equal number of Equity Shares of face value of ₹ 10/- each.

The disclosures with respect to TAEI ESOS - 2018, TAEI 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 2022.

**11 PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The Particulars of loans given, investments made, guarantees

given and securities provided as per Section 186 of the Companies Act, 2013 by the Company are disclosed in the financial statements of the company.

**12 CORPORATE SOCIAL RESPONSIBILITY**

The Anup Engineering Limited Policy on Corporate Social Responsibility (TAEI CSR), has been put in place to emphasize the underlying value system of the company and a firm belief that only in a healthy society healthy businesses flourish. It facilitates and formalizes the CSR processes, sets up a guiding structure and defines broader thematic areas for projects and programs. The Company defines an annual budget and CSR initiatives and works with like-minded organizations. Our CSR Policy is in sync with the broader areas of Schedule VII of the Companies Act, 2013 and will always be aligned to the changes that get incorporated in the schedule.

During the year under review, the company undertook three projects. These included an ongoing project of "Farmers' Skill Training" under the broad theme Rural Development, starting a new Rural Development Project around our proposed area of operation at Kheda and supporting a project of setting up a charitable pathology laboratory at Gandevi, Navsari in Gujarat. In addition, COVID relief operations were also undertaken.

The brief details of Corporate Social Responsibility Policy, initiatives undertaken and the amount spent during the financial year 2021-22 is enclosed as **Annexure-B** to the Board's Report.

**13 HUMAN RESOURCES**

A company grows when its people grow. At Anup we believe that talent truly shapes organizational success and destiny. There is highest commitment to investing in hiring the right talent, sustainably engaging and developing them, retaining and rewarding them to deliver organizational results and growth.

An important focus area for the organization has been to respond to trends shaping the future of work that make the company agile, productive and help improve HR systems, processes and enhance employee experience.

The company has invested efforts in bringing effectiveness in hiring and creating an employer brand, creating internal mobility, reorganizing structures in line with business plans and performance and establishing the right rewards and recognition.

To ensure that our employees continue to challenge themselves and grow, the company has brought a significant focus to internal mobility and to rotating employees across different functional roles in order to grow into higher roles.

On learning our focus shall continue to be towards digitalization of learning and introduction of various e-learning courses on managerial & functional competencies. Adoption of digital tools, incorporation of hybrid work culture, in our new way of working has ensured that our employees are equipped to work with these through the right skills.

While doing so, we have been cognizant of understanding what motivates and engages our people and how they perceive their work environment. Therefore, we encourage open and regular dialogue between managers and their team members and offer hand holding support which ensures our people feel comfortable

to speak up, raise concerns and are empowered to initiate improvements.

Our approach to performance management is a holistic one wherein, while holding people accountable, we look at continuous development and create opportunities for them to excel in new and or larger roles. This approach is directly linked to our compensation framework and promotion process. We also offer a wide range of benefits to our employees.

To ensure we develop future leaders, we provide a number of opportunities to foster management and leadership skills. The purpose is to equip our people with the necessary capabilities to lead the organization through change, develop their teams, manage performance and ensure business success in line with the organizational strategy.

#### **14 RISK MANAGEMENT POLICY**

The Company has a robust Enterprise Risk Management framework which enables it to take certain risks to remain competitive and achieve higher growth and at the same time mitigate other risks to maintain sustainable results.

Under the framework, the Company has laid down a Risk Management Policy which 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 Risk Management Committee reviews the identified Risks and its mitigation measures annually.

The Company has identified 23 Risks - 9 Strategic Risks, 12 Operational Risks & 2 Regulatory Risks. Key Strategic Risks include timely completion of upcoming project, supply chain disruptions, reputational risks, enhancement of technical know-how and infrastructure upgradation. Key Operating Risks include price volatility in input materials, delayed delivery to customers, health and safety. Regulatory Risks includes litigation and regulatory compliance management.

The Company has a Risk Management Committee of the Board of Directors and Risk Management Policy consistent with the provisions of the Act and the Listing Regulations. The Internal Audit Department facilitates the execution of Risk Management Practices in the Company, in the areas of risk identification, assessment, monitoring, mitigation and reporting. The Company has laid down procedures to inform the Audit Committee as well as the Board of Directors about risk assessment and related procedures & status.

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

#### **17 SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES/WHOLLY OWNED SUBSIDIARIES**

As on 31st March 2022, the Company has a one wholly own subsidiary company 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](http://www.anupengg.com) > Investors > Financial Reports.

The Company has framed a policy for determining material subsidiaries, which has been available on the website of the Company at [www.anupengg.com](http://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. The composition is in compliance with the Companies Act, 2013 and Listing Regulation.

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



**Key Managerial Personnel:**

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

**19 ANNUAL EVALUATION MADE BY THE BOARD**

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 own 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](http://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 is available on the website of the Company at [www.anupengg.com](http://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 BOARD AND COMMITTEE MEETINGS**

A total 4 Meetings of the Board of Directors, 4 meetings of Audit Committee, 1 meeting of Nomination and Remuneration committee, 1 meeting of Stakeholder's Relationship Committee, 2 meetings of Corporate Social Responsibility Committee, 2 meetings of Risk Management Committee and 1 meeting of Independent director committee and 7 meeting of Management Committee were held during the financial year ended 31st March 2022. Further 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 2022, 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](http://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 2021-22 is forming part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

### Cost Auditors:

M/s. Maulin Shah & Associates, Cost Accountants, Ahmedabad (Firm Registration No. 101527) 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 2022-23.

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 2021-22. 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 separately 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 Listing Regulations.

## 29 BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report as required by Regulation 34 (2) of the 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

Pursuant to Section 92(3) read with Section 134(3) (a) of the Companies Act 2013, the Annual Return as on 31st March 2022 is available on the website of the Company at [www.anupengg.com](http://www.anupengg.com) > Investors > Updates.

## 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-E** 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.

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

During the financial year 2021-22, No complaints of sexual harassment were received by the AICC.

## 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.

Place: Ahmedabad  
Date: 17th May 2022

For and on behalf of the Board of Directors

**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

1	Description of ESOS	ESOS – 2018	ESOS (DEMERGER)- 2018	Anup ESOS 2019
(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 (“ <b>the Scheme</b> ”)		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	33,333	37,500
(b)	Options issued during the year (pursuant to the Scheme)	0	0	20,000
(c)	Options forfeited/lapsed during the year	0	0	0
(d)	Options vested during the year	0	0	0
(e)	Options exercised during the year	50,000	0	0
(f)	Number of shares arising as a result of exercise of option	50,000	0	0
(g)	Money realised by exercise of options (₹)	75,71,500/-	0	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	37,500	33,333	57,500
(j)	Options Exercisable at the end of the year	37,500	33,333	0
5A	Weighted average exercise prices of outstanding options whose:			
	Exercise price equals market price of stock (₹)	151.43	385.29	650.62
	Exercise price exceeds market price of stock (₹)	-	-	-
	Exercise price is less than market price of stock (₹)	-	-	10.00
5B	Weighted average fair value of outstanding options whose:			
	Exercise price equals market price of stock (₹)	412.44	156.08	266.44
	Exercise price exceeds market price of stock (₹)	-	-	-
	Exercise price is less than market price of stock (₹)	-	-	468.11

6	Grantee wise details of options granted to:			
	(i) Key managerial personnel;	No grants made during the year.	No grants made during the year.	Rishi Roop Kapoor, CEO – 20,000 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 (₹)			954.40
	(ii) Exercise price (₹)			929.95
	(iii) Expected volatility			50.54%
	(iv) Expected dividends			0.73%
	(v) Risk-free interest rate			5.08%
	(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 on stock exchanges 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

### Annexure I

#### Brief outline on CSR policy of the Company

The Corporate Social Responsibility (CSR) Policy of The Anup Engineering Limited 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 14111 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 define an annual budget, CSR initiatives and work with like-minded organizations.

Our CSR Policy is in sync with the broader areas of Schedule VII of the Companies Act, 2013 and will always be aligned to the changes that gets incorporated in the schedule.

The key points of the policy are presented below and the policy can be reached at our website through the given link: <https://www.anupengg.com/wp-content/uploads/2019/02/Corporate-Social-Responsibility-Policy.pdf>

#### Overview of CSR Initiatives

The Anup Engineering Limited through its CSR policy aims to work for the social advancement. The Company broadly defined its CSR thematic focus area as Rural Advancement, Educational Advancement and Health

#### Farmers’ Skill Training

Anup Engineering funded NLRDF for the Ongoing “Project of Rural Development and Farmers Training and Skill Development.” The programme is being carried out in Gujarat and Maharashtra. The project at Telangana has been completed and we are focusing in two states now. Around 33,500 farmers are part of the project with around 1.27 Lakhs hectare of Land under operation. This works out to be approximately 3.8 hectare per farmer. In spite of our reduced presence in two states only, our footprint has actually increased. Following table has the details:

Farmers’ Skill Training: People and Land Coverage				
Sr. No.	Year	People Coverage (No of Farmers)	Land Coverage (No of Hectare under operation)	State Presence
1	2020-21	30,000	90,000	Gujarat, Maharashtra, Telangana
2	2021-22	33,500	127,000	Gujarat & Maharashtra

The company is supporting this project as an ongoing programme because seeing the impact on such project requires a longer duration. The climate change, pesticide handling and poor soil health is making the agriculture in general and cotton-growing in particular a real challenge for farmers. The lack of knowledge on soil health and best practices in managing pests pose significant risk to farmer’s health and to the environment as well. Additionally, ensuring active involvement of women and prevention of child labour in cotton farming has also remained challenging.

The activities undertaken in the programme intend to increase the level of understanding of cotton farmers while empathizing on sustainable yield and reduced cost of production. The project carried out capacity building and livelihood enhancement of farmers on the principals like:

- 1) **Crop Protection:** This included sessions on technical aspects of Integrated Pest Management, conservation of beneficial insects,

Advancement. **(Schedule VII - Point X Rural Development, point II Promoting Education & point I promoting Health).**

The Anup Engineering Limited has defined undertaking the “Corporate Social Responsibility” (CSR) initiatives through Narottam Lalbhai Rural Development Fund (NLRDF), Arvind Foundation and Rotary Club of Gandevi Charitable Trust.

#### Initiative brief

The Anup Engineering Limited, during the year under review 2021-22, decided to support three initiatives.

**First,** it decided to continue supporting the Ongoing Project Farmer’s Skill Training in Gujarat and Maharashtra. The Project is being carried out by our implementation partner Narottam Lalbhai Rural Development Fund (NLRDF).

**Second,** it approved starting a new Rural Development Project around our proposed area of operation at Kheda district in Gujarat where Company’s new plant is coming up. This project is with our implementation partner Arvind Foundation.

**Third,** it decided to support a project of setting up a charitable pathology laboratory at Gandevi, Navsari in Gujarat. This project is with our implementation partner Rotary Club of Gandevi Charitable Trust. In addition, through the Rotary Club of Gandevi Charitable Trust, Covid relief operations were also undertaken.

use of yellow sticky trap, use of pheromone traps, planting of trap crops and intercropping for improving the population of the beneficiary insect i.e. predator, parasite and pollinator. The farmers were also guided to plant the refugee seed for protecting the main crop from the insect pest and to avoid resistance development in insects. Also, awareness of farmers about use of homemade pesticides as part of cost reduction, health and safety, and livelihood enhancement along with avoiding use of HHPs (Highly Hazardous Pesticides) and banned pesticides was also part of the programme.

- 2) **Water Stewardship:** Unless farmers become aware about the efficient use of water in agriculture, the long term sustenance of any project would be difficult. Hence, this programme also included awareness and action on the efficient use of water by using micro irrigation system and alternative furrow irrigation

system. Building the BORIBANDH to avoid the surface water runoff and help recharge the ground water were important component of the programme.

- 3) **Soil Health Management:** Soil analysis of the participating farmers' land led to explaining the soil analyses results, using the fertilizers according to soil report and how the reduced fertilizer cost will directly benefit to their livelihood, soil health as well human health was undertaken in this section.
- 4) **Natural Habitat:** The programme also has strong inputs on Biodiversity mapping to observe the species & habitat to save the natural enemies of the insect pest. The farmers were encouraged to plant the trees to address the climate change and information about types of trees to be planted which would benefit to biodiversity and farmer's livelihood was undertaken.
- 5) **Fibre quality:** Fibre quality is an important parameter to get better price for the produce. Fibre quality plays a crucial role in the textile industry. Farmers were trained on the contamination free cotton picking, storage of different variety of cotton separately on dry place.
- 6) **Decent Work:** It is important for farmers to understand the broader issues that may not seem directly linked to the cotton growing. These issues are around work environment and health and safety. The programme addresses both through training of farmers to sensitize them on child labour, gender equality, discrimination, and equal wages for men and women for same

work, minimum wages, freedom of association, etc. For the health and safety of farm workers as well as farmers, use of PPE kit during application of chemical pesticides was emphasized as part of the programme.

#### **Rural Development Project around Area of Operation in Kheda district of Gujarat**

The company has decided to undertake an Ongoing Rural Development Project at Kheda District of Gujarat. The rationale of the initiative is our belief that before the new plant start operations, we should set up the community initiatives in and around the place where the Company would be operating. This project would be implemented with the Implementation partner Arvind Foundation. While we write this report, the planning for the project and a Community Need Assessment (CAN) is underway.

#### **Supporting a Pathology Lab**

The company also decided to support a charitable pathology laboratory with our implementation partner Rotary Club of Gandevia Charitable Trust. The project is being implemented at Gandevi, Navsari in Gujarat. The project taluka Gandevi in Navsari has 64 villages. The project aims to cater to 35 villages of Gandevi Taluka as there are no such facilities working on charitable basis.

In addition, through the Rotary Club of Gandevi Charitable Trust, Covid relief operations were also undertaken. This included distribution of protective consumables like Triple Layer Masks, N 95 Masks, Bio Trap Masks, Gloves, and Sanitisers etc. for the front line workers of Gandevi Taluka.

**Annexure II****1. Brief Outline of the Company's CSR Policy:**

The Corporate Social Responsibility (CSR) Policy of Anup Engineering Limited 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 (TAECSR) 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.

Our CSR Policy is in sync with the broader areas of Schedule VII of the Companies, Act 2013 and will always be aligned to the changes that gets incorporate in the schedule.

**2. Composition of the CSR Committee**

The Anup Engineering Limited has set up Corporate Social Responsibility Committee (CSR Committee) as per the requirement of the Companies Act. The members of the CSR Committee are:

Sr. No.	Name of Director	Designation	Position	Number of Meetings held	Number of meetings attended
1	Mr. Punit 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

**3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

<https://www.anupengg.com/wp-content/uploads/2019/02/Corporate-Social-Responsibility-Policy.pdf>

**4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.: Not Applicable****5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.: Nil****6. Average net profit of the Company as per Section 135(5):** The average net profit of the Company is ₹ 6170.88 Lakhs**7. a) Two percent of average net profit of the company as per section 135(5):** ₹ 123.42 Lakhs**b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Not Applicable**c) Amount required to be set off for the financial year, if any:** Nil**d) Total CSR obligation for the financial year (7a+7b-7c):** ₹ 123.42 Lakhs**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,27,50,000/-	NIL	NA	NA	NIL	NA

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project Duration	Amount allocated for the project (in ₹ Lakhs)	Amount spent in the current Financial Year (in ₹ Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
(1)	Farmers' Skill Training	X	No	Gujarat and Maharashtra		1+3 Years	82.00	85.00	NIL	No	Narottam Lalbhai Rural Development Fund (NLRDF) CSR Registration Number CSRo0007231	
(2)	Rural Development at Kheda	X	Yes	Gujarat		1+3 Years	34.00	34.00	NIL	No	Arvind Foundation CSR Registration Number CSRo0004733	
<b>Total</b>							<b>116.00</b>	<b>119.00</b>				

**c) Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount allocated for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Supporting setting up of charitable pathology laboratory	I	Yes	Gujarat	Navsari	5.00	No	Rotary Club of Gandevi Charitable Trust	CSR Registration Number CSRo0006048
2	Covid Relief Project	I	Yes	Gujarat	Navsari	3.50	No	Rotary Club of Gandevi Charitable Trust	CSR Registration Number CSRo0006048
<b>Total</b>						<b>8.50</b>			

**d) Amount spent in Administrative Overheads:** Nil.

**e) Amount spent on Impact Assessment, if applicable:** Not Applicable

**f) Total amount spent for the Financial Year (8b+8c+8d+8e):** ₹ 127.50 Lacs.



**g) Excess Amount for set off, if any: ₹ 4,08,000.00**

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	1,23,42,000.00
(ii)	Total amount spent for the Financial Year	1,27,50,000.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]*	4,08,000.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	4,08,000.00*

\*Set off not to be claimed

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not Applicable							

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total Amount allocated for the project (in ₹)	Total Amount spent in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing
Not Applicable								

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:**

- Date of creation or acquisition of the capital asset(s):- No Capital Asset created during the financial year 2021-22.
- Amount of CSR spent for creation or acquisition of capital asset:- Not Applicable
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:- Not Applicable
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):- Not Applicable

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):**

Not applicable. The Company has spent the required amount.

Place: Ahmedabad  
Date: 17th May 2022**Punit S. Lalbhai**  
Chairman – CSR Committee**Rishi Roop Kapoor**  
Chief Executive Officer

## Annexure – C to the Directors’ Report

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022

[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**  
CIN: L29306GJ2017PLCo99085  
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** (CIN: L29306GJ2017PLCo99085) (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, 2022 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, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (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) to (g) 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) 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 herein above. 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, except for the following events, there was no other specific event / action in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs :

- a. Allotment of 50000 Equity Shares to the eligible employees pursuant to the exercise of the options granted to them under "TAEI Employee Stock Option Scheme 2018" on various dates.

**Ankita Patel**

Practicing Company Secretary

FCS No. F8536/C.P. No. 16497

UDIN: Foo8536Doo0330913

PR No. 1594/2021

Place: Ahmedabad

Date: 17th May 2022

**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**

CIN: L29306GJ2017PLCO99085

Behind 66 KV,Elec. Sub-Station,

Odhav Road, Ahmedabad – 382415

Dear Sir,

### **Sub: Secretarial Audit Report for the Financial Year ended on 31st March, 2022.**

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: Foo8536Doo0330913

PR No. 1594/2021

Place: Ahmedabad

Date: 17th May 2022

## Annexure – D to the Directors’ Report

**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.**

### 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:

		2021-22	2020-21
<b>1. (a) Electricity :</b>			
	Unit	27,66,775	19,58,375
	Total Amount (₹ in Lakhs)	203.71	136.06
	Rate/Unit (₹)	7.36	6.95
<b>(b) Own Generation :</b>			
	(Through Diesel Generator)		
	Units	90	50
	Total Amount (₹)	2070	1050
	Rate/Unit (₹)	23.00	21.00
<b>2. Furnace Gas :</b>			
	Quantity (MMBTU)	2,804.28	462.86
	Cost (₹ in Lakhs)	44.94	5.64
	Rate/MMBTU (₹)	1,602.55	1,218.82

### B TECHNOLOGY ABSORPTION:

#### Technology absorption, adaption and innovation:

- The Company is continuously endeavouring to upgrade its technology from time to time in all aspects through in-house R&D primarily aiming at reduction of cost of production and improving the quality of the product.
- The company has adopted a technology to fabricate and supply Helical Baffle Heat Exchanger for global markets.

- 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:**

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

(₹ in Lakhs)

Particulars	2021-22	2020-21
Capital	-	-
Recurring	187.17	189.60
<b>Total</b>	<b>187.17</b>	<b>189.60</b>
Total R and D Expenditure as % of Total Turnover	0.65	0.68

### C FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Foreign Exchange used and earned:

(₹ in Lakhs)

Particulars	2021-22	2020-21
Total foreign exchange used	2,254.99	2,314.95
Total foreign exchange earned	4,741.14	4,148.16

## Annexure – E to the Directors’ Report

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

Sr. No.	Particulars	Name of Director	Ratio
i	The ratio of the remuneration of each director to median remuneration of the employees of the Company for the financial year 2021-22	Mr. Sanjay S. Lalbhai	0.72
		Mr. Punit S. Lalbhai	1.06
		Mr. Samvegbhai Lalbhai	0.72
		Mr. Arpit Patel	1.77
		Mr. Ganpatraj Chowdhary	1.19
		Ms. Reena Bhagwati	1.30
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 2021-22	<b>Director</b>	<b>% change</b>
		Mr. Sanjay S. Lalbhai	(3)
		Mr. Punit S. Lalbhai	2
		Mr. Samvegbhai Lalbhai	6
		Mr. Arpit Patel	(1)
		Mr. Ganpatraj Chowdhary	(3)
		Ms. Reena Bhagwati	3
		<b>*Chief Executive Officer</b>	
		Mr. Rishi Roop Kapoor	24
		<b>**Chief Financial Officer</b>	
		Mr. Bhavesh Shah	76
		<b>Company Secretary</b>	
Mr. Chintankumar Patel	20		
iii	The percentage increase in the median remuneration of employees the financial year 2021-22		15.61
iv	The number of permanent employees on the rolls of Company	171 Employees as on 31st March 2022	
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 19.51 % and for other employees was about 16.07%.  There is no exceptional increase in remuneration of key Managerial Personnel.	
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.	

Remuneration for Directors includes only commission and sitting fees paid during the financial year.

\*Excluding the perquisite value being the difference between exercise price and market price on exercise date in respect of ESOPs \*\*Employment is for part of the period, either in current year or in previous year.



## 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 disrupted operations as well as supply chains and impacted progress at customer sites in FY 22. However we are seeing clear signs of normalcy returning to how we lead our lives and how we conduct our businesses. We begin the new financial year with hope and optimism with good 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. The challenges will be to curtail the impact of spiked metal prices on our profitability.

### (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. This will be in complete sync with our strategy and vision for the upcoming Kheda facility which is progressing at a rapid pace.

### (d) Outlook:

Market continues to present opportunities for our company to gather a strong growth momentum in the short term as well as the medium terms with continuing inflow of enquiries from the traditional sectors like Refineries, Petrochemicals as well as the new ones like Chemicals, Power, LNG, Fertilizers etc. from both Domestic as well as Export Markets. The escalation in raw material prices due to the continuing geopolitical situation in Europe poses a significant challenge to businesses like ours to minimise impact on profitability.

### (e) Risks and concerns:

The Company has a robust Enterprise Risk Management framework which enables it to take certain risks to remain competitive and achieve higher growth and at the same time mitigate other risks to maintain sustainable results.

Under the framework, the Company has laid down a Risk Management Policy which 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 Risk Management Committee reviews the identified Risks and its mitigation measures annually.

The Company has identified 23 Risks - 9 Strategic Risks, 12 Operational Risks & 2 Regulatory Risks. Key Strategic Risks include timely completion of upcoming project, supply chain disruptions, reputational risks, enhancement of technical know-how and infrastructure upgradation. Key Operating Risks include price volatility in input materials, delayed delivery to customers, health and safety. Regulatory Risks includes litigation and regulatory compliance management.

The Company has a Risk Management Committee of the Board of Directors and Risk Management Policy consistent with the provisions of the Act and the Listing Regulations. The Internal Audit Department facilitates the execution of Risk Management Practices in the Company, in the areas of risk identification, assessment, monitoring, mitigation and reporting. The Company has laid down procedures to inform the Audit Committee as well as the Board of Directors about risk assessment and related procedures & status.

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.

### (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 the Financial Year 2021-22 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 of FY 2021-22:****(₹ in Crores)**

Particulars	FY21	FY22
<b>Revenue from Operation</b>	<b>279.1</b>	<b>288.2</b>
EBITDA	68.8	70.0
<b>MARGIN</b>	<b>25%</b>	<b>24%</b>
PAT	53.5	62.1

Overall revenues for the year grew 3% and stood at ₹ 288.2 Crores. Sales and Other income for the year ended 31st March 2022 were ₹ 292 Crores as compared to ₹ 283 Crores on 31st March 2021. The net profit stood at ₹ 62.1 Crores (previous year ₹ 53.5 Crores).

Strong order pipeline of ₹ 393 Crores as on Q4 end to provide good execution visibility.

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

A company grows when its people grow. At Anup we believe that talent truly shapes organizational success and destiny. There is highest commitment to investing in hiring the right talent, sustainably engaging and developing them, retaining and rewarding them to deliver organizational results and growth.

An important focus area for the organization has been to respond to trends shaping the future of work that make the company agile, productive and help improve HR systems, processes and enhance employee experience.

The company has invested efforts in bringing effectiveness in hiring and creating an employer brand, creating internal mobility, reorganizing structures in line with business plans and performance and establishing the right rewards and recognition.

To ensure that our employees continue to challenge themselves and grow, the company has brought a significant focus to internal mobility and to rotating employees across different functional roles in order to grow into higher roles.

On learning our focus shall continue to be towards digitalization of learning and introduction of various e-learning courses on managerial & functional competencies. Adoption of digital tools, incorporation of hybrid work culture, in our new way of working has ensured that our employees are equipped to work with these through the right skills.

While doing so, we have been cognizant of understanding what motivates and engages our people and how they perceive their work environment. Therefore, we encourage open and regular dialogue between managers and their team members and offer hand holding support which ensures our people feel comfortable to speak up, raise concerns and are empowered to initiate improvements.

Our approach to performance management is a holistic one wherein, while holding people accountable, we look at continuous development and create opportunities for them to excel in new and or larger roles. This approach is directly linked to our compensation framework and promotion process. We also offer a wide range of benefits to our employees.

To ensure we develop future leaders, we provide a number of opportunities to foster management and leadership skills. The purpose is to equip our people with the necessary capabilities to lead the organization through change, develop their teams, manage performance and ensure business success in line with the organizational strategy.

As on 31st March 2022 there were 171 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 thereof, including:**

Parameters	Numerator	Denominator	FY21	FY 22
Debtors Turnover Ratio (times)	Revenue from Operations	Average Debtors	3.2	2.4
Inventory Turnover Ratio (times)	Revenue from Operations	Average Inventory	3.2	3.6
Interest Coverage Ratio (times)	EBIT	Finance Costs	169.1	56.6
Current Ratio (times)	Current Assets	Current Liabilities	2.7	2.3
Debt Equity Ratio (times)	Total Debt	Equity	0.0	0.0
Operating Profit Margin (%)	EBIT	Revenue from Operations	21%	20%
Net Profit Margin (%)	Net Profit after Tax	Revenue from Operations	19%	22%
Return on Net Worth (%)	Net Profit after Tax	Net worth	16%	16%

**Interest Coverage Ratio:** Interest expense increase due to enhancement of limits with Bank. Company do not have any debt in books.

**(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	L29306GJ2017PLCo99085
2	Name of the Company	The Anup Engineering Limited (“Anup”)
3	Registered address	Behind 66 KV Elec. Substation, Odhav Road, Ahmedabad – 382415, Gujarat, India
4	Website	www.anupengg.com
5	E-mail id	investorconnect@anupengg.com
6	Financial Year reported	Year ended 31.03.2022
7	Sector(s) that the Company is engaged in (industrial activity code- wise)	Manufacture of machinery for metallurgy *Code: 28230
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)	₹ 9.88 Crores
2	Total Turnover (INR)	₹ 288.24 Crores
3	Total profit after taxes (INR)	₹ 62.85 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 2022 was ₹ 1.27 Crores.
5	List of activities in which expenditure in 4 above has been incurred:-	Refer Annexure B to the Directors’ Report - Annual Report on Corporate Social Responsibility (CSR) Activities

## 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 2022.
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.

**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 KMP, 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	Whistleblower Policy and Code of Conduct
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

**(a) Details of compliance (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, ILO and ISO.								
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?	Link for all company related policies - <a href="https://www.anupengg.com/policies/">https://www.anupengg.com/policies/</a>								
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?	Yes, the company has various certifications like ISO 14001, ISO 45001, ISO 9001 and is subject to routine audits by external agencies. Further, the policies, as and when required are evaluated and updated in-house.								

(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**

**(a) 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 BR Head assesses the BR performance of the Company at least annually.

**(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The company does not publish a separate sustainability report. However, the information about our sustainability and responsibility practices and initiatives are reported in the Business Responsibility Report (BRR). The BRR is a part of Annual Reports published at <https://www.anupengg.com/financial-reports/>.

**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 reporting 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 labour / 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.**

Normal course of manufacturing activities does not result in significant quantities of waste. The Company disposes this waste in a responsible manner through agencies approved by the relevant regulatory bodies for 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 2022 were 171.

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

Total Contractual Workmen: 738

Total contractual workers include Man days based and production based workers.

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

The number of permanent women employees as on 31st March 2022 was 3.

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

Number of permanent employees with disabilities as on 31st March 2022 were 0.

**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 it's always endeavor of the management to resolve the issues satisfactorily

**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 it's 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 stakeholders being the government / regulatory authorities. However, the process of mapping of additional / relevant stakeholders is an ongoing effort and subject to updation.

**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, the policies cover employees and contractors under Code of Conduct 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 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 D 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 reporting year.

**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
- (e) Process Plant and Machinery Association of India
- (f) The Indian Institute of Welding

**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 sustainability 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?**

Yes, 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 (0%) that have remained unresolved.

**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 behavior 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 done during recently concluded financial year.

# Corporate Governance Report

[As required under Schedule V(C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Board of Directors present the Company’s report on Corporate Governance for year ended on 31st March 2022.

## 1 COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance at The Anup 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 composition of Board of directors of the company is in consonance with the requirements of The Companies Act, 2013 (“Act”) and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”). As at 31st March 2022 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 2022:

Sr. No.	Name of Director	Executive/Non-Executive /Independent	*No. of Directorship in other Indian 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	2	1
2	Mr. Punit S. Lalbhai	Non-Executive Director	6	1	1
3	Mr. Samvegbhai Lalbhai	Non-Executive Director	3	0	0
4	Mr. Arpit Patel	Independent Director	2	3	2
5	Mr. Ganpatraj Chowdhary	Independent Director	3	4	0
6	Ms. Reena Bhagwati	Independent Director	4	5	0

Note:

\*For the purpose of considering the limit of the number of directorship Private Limited Companies, Foreign Companies and Companies under Section 8 of the Act are excluded which is in line with the requirement of the Listing Regulation.

\*\* For the purpose of determination of position in committees only chairmanship / membership of the Audit Committee and the Stakeholders’ Relationship Committee have been considered as per Regulation 26 of the 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 Limited	Chairman & Managing Director
		Arvind Fashions Limited	Chairman & Non-Executive Director
		Arvind SmartSpaces 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
		Symphony Limited	Independent Director
		Eimco Elecon (India) 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 of the 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. 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 Lalbhai is the Non-Executive Director of the Company. He also served as Executive Director of Arvind Limited and leads Arvind's manufacturing businesses which include Core Textiles, Advanced Materials, Engineering and 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. He has been a practitioner of Heartfulness Meditation since 1998, and has been a volunteer trainer for the practice since 2012.

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

Mr. Samvegbhai Lalbhai is the Non-Executive Director of the 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 an independent Director of the 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 an independent Director of the Company. Mr. Ganpatraj Chowdhary, 58 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 ₹1500 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 Utrakhand, India and later hived off the Starch Business of Riddhi Siddhi Gluco Biols Limited to in 2012 to Roquette Freres.

Shri Ganpatraj Chowdhary 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 as an independent Director of the 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 has an MBA from Carnegie Mellon University, USA.

She has spearheaded the Bhagwati Group by providing strategic, fiscal & operational leadership. Under her able leadership, the companies have made remarkable & constant progress. Apart from her business interests, she runs her own NGO and is also deeply involved in various philanthropic activities.

She has held various professional positions and has served as the President of the Institute of Indian Foundry men (IIF) during 2013-14, Chairperson of the Confederation of Indian Industries (CII) Gujarat State Council during 2016-17, Gujarat State Representative in (CII) Western Regional Council for 2022-23 and is a continuing Member of the Governing Body of the Ahmedabad Management Association.

She holds directorship in various listed companies namely Symphony Limited and 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	The Company uses various financial metrics to measure its performance. Accurate Financial Reporting and Robust Auditing are critical to its success. The Company expects its Directors :- 1.To have an understanding of Finance and Financial Reporting Processes; 2.To understand and oversee various risks facing the Company 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.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Skills/Expertise/Competencies</b>
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 and committee 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 2021-22, 4 (Four) Board Meetings were held on 14th May 2021, 27th July 2021, 26th October 2021 and 18th January 2022. The gap between two Board Meetings was within the maximum time gap prescribed in the Act and the SEBI Listing Regulations. The attendance of each Director at these Board Meetings and last Annual General Meeting was as under:-

Sr. No	Name of Director	Attendance in the Board meetings		Attendance at AGM held on 17th August 2021
		Held	Present	
1	Mr. Sanjay S. Lalbhai	4	4	Yes
2	Mr. Punit S. Lalbhai	4	4	Yes
3	Mr. Samvegbhai Lalbhai	4	4	Yes
4	Mr. Arpit Patel	4	4	Yes
5	Mr. Ganpatraj Chowdhary	4	2	Yes
6	Ms. Reena Bhagwati	4	4	Yes

Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all Committee's /Board meetings in FY 2021-22 were held through Video Conferencing.

## 2.7 Separate Meeting of Independent Directors:

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

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

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors fulfill the conditions specified in the Act and Listing Regulation 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 18th January 2022 to review

- The performance of the Non-Independent Directors.
- The performance of the Board of the Company as a whole.
- The performance of Chairman of the Company taking in to account the views of the Non-Executive Directors on the same.
- To assess the quality, quantity and timeliness of flow of information between the Company Management and the Board.

## 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	-
Mr. Punit S. Lalbhai	137	Mr. Ganpatraj Chowdhary	-
Mr. Samvegbhai Lalbhai	1344	Ms. Reena Bhagwati	30000

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 available on the website of the Company at [www.anupengg.com](http://www.anupengg.com) > Investor > Policies.

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

In terms of Regulation 17 of the Listing Regulations and Section 149 of the Act, 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 Chief Executive Officer 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:**

In terms of SEBI Listing Regulations as amended from time to time, the Company has formulated and adopted a Code of Conduct for Prohibition of Insider Trading, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Policy on procedures to be followed while conducting an inquiry in the event of leak or suspected leak of Unpublished Price Sensitive Information.

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 6 (Six) Committees viz:

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

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

**3 AUDIT COMMITTEE**

The Board of Directors of the Company has constituted the Audit Committee in compliance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations. 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. All the recommendations of the Audit Committee have been accepted by the Board of Directors.

**3.1 The principal terms of reference of the Audit Committee, as approved by the Board and as updated from time to time by the Board, are as under:**

- (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 Act;
  - (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 consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- (24) 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) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (3) internal audit reports relating to internal control weaknesses; and
- (4) the appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the audit committee;
- (5) 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 Listing Regulations;
  - (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 Listing Regulations.

In addition to the above, the Audit Committee discharges all such other duties and functions generally indicated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and the Rules made thereunder.



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

During the year, 4 (Four) Audit Committee Meetings were held on 14th May 2021, 27th July 2021, 26th October 2021 and 18th January 2022. The Attendance of Members at meetings was 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	4

**4 NOMINATION AND REMUNERATION COMMITTEE**

The Board of Directors of the Company has constituted the Nomination and Remuneration Committee in compliance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

**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;
- (1A) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates
- (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) 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;
- (6) recommend to the board, all remuneration, in whatever form, payable to senior management;
- (7) to administer and supervise Employee Stock Options Schemes (ESOS) including framing of policies related to ESOS and reviewing grant of ESOS;
- (8) To review HR Policies and Initiatives;
- (9) Carrying out any other function as is mentioned in the terms of reference of the Nomination and Remuneration Committee.

In addition to the above, Nomination and Remuneration Committee discharges such duties and functions generally indicated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and Rules made thereunder.

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

During the year, 1 (One) Nomination and Remuneration Committee meeting was held on 26th October 2021. 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	1	1
2	Mr. Punit S. Lalbhai	Non-Executive Director	Member	1	1
3	Mr. Ganpatraj Chowdhary	Independent Director	Member	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. The remuneration paid to the Non-Executive Directors by way of Sitting Fees of ₹ 10,000/- for every meeting of Board of Directors or Committee attended by them. In addition to the afore-mentioned remuneration being paid by way of sitting fees, Commission was also paid to the Non- Executive Directors.

The details of sitting fees and commission paid to Non-Executive Directors for the FY 2021-22 are as under::

Sr. No.	Name of Directors	Commission (Amount in ₹)	Sitting Fees (Amount in ₹)
1	Mr. Sanjay S. Lalbhai	3,00,000	40,000
2	Mr. Punit S. Lalbhai	4,00,000	1,00,000
3	Mr. Samvegbhai Lalbhai	3,00,000	40,000
4	Mr. Arpit Patel	7,00,000	1,30,000
5	Mr. Ganpatraj Chowdhary	5,00,000	60,000
6	Ms. Reena Bhagwati	5,00,000	1,10,000

#### 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 (“TAE ESOS - 2018”), The Anup Engineering Limited - Employee Stock Option Scheme (Demerger) - 2018 (“TAE 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 available on the website of the Company at [www.anupengg.com](http://www.anupengg.com) > Investor > Policies.

### 5 STAKEHOLDERS’ RELATIONSHIP COMMITTEE

The Board of Directors of the Company has constituted the Stakeholders’ Relationship Committee in compliance with the provisions of Section 178(5) of the Act and Regulation 20 of the Listing Regulations.

#### 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 and Share Transfer Agent;
- (4) review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;

- (5) to look into the reasons for any defaults in the payment to the Depositors, Debenture holders, Shareholders (in case of non-payment of declared dividends) and Creditors;
- (6) carrying out any other function as is mentioned in the terms of reference of the Stakeholder's Relationship Committee.

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

During the year, 1 (One) meeting was held on 27th July 2021. 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

Name and contact detail of Compliance Officer:	Mr. Chintankumar Patel Company Secretary and Compliance officer Tel: 079-2287 0622
Email Id for correspondence:	investorconnect@anupengg.com
Registered Office:	Behind 66 KV Elec. Sub Station Odhav Road, Ahmedabad -382415

## 5.4 Details of Complaints / Queries received and redressed during 1st April 2021 to 31st March 2022:

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	01	01	Nil

## 6 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors of the Company has constituted the Corporate Social Responsibility Committee in compliance with the provisions of Section 135 read with Schedule VII of the Act.

### 6.1 Terms of reference of the Committee:

- 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 Act;
- 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 Act;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- monitor the Corporate Social Responsibility Policy of the company from time to time;
- 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 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 14th May 2021 and 26th October 2021.

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 RISK MANAGEMENT COMMITTEE

The Board of Directors of the Company has constituted the Risk Management Committee in compliance with the provisions of Regulation 21 of SEBI Listing Regulations on 17th June 2021. As on 31st March 2022, Risk Management Committee of the Company comprised of three members viz. Mr. Punit S. Lalbhai, Ms. Reena Bhagwati and Mr. Rishi Roop Kapoor. Mr. Punit S. Lalbhai, Non-Executive Director, acts as Chairman of the Committee.

### 7.1 Terms of reference of the Committee:

- (1) To formulate a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks;
  - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- (7) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

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

During the year, the meeting of Risk Management Committee was held on two times on 27th July 2021 and 18th January 2022.

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	Ms. Reena Bhagwati	Independent Director	Member	2	2
3	Mr. Rishi Roop Kapoor	Chief Executive Officer	Member	2	2

## 8 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.

### 8.1 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.

### 8.2 Composition of Management Committee, number of Meetings held and participation at the Meetings during the year:

During the year, 7 (Seven) 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	7	7
2	Mr. Punit S. Lalbhai	Non-Executive Director	Member	7	7

**9 INFORMATION OF GENERAL BODY MEETINGS****9.1 The last three Annual General Meetings (AGM) were held as under:**

F.Y.	Day, Date and Time	Meeting and Venue	Details of Special Resolution
2020-21	Tuesday 17th August 2021 11.00 a.m.	4th Annual General Meeting conducted through VC / OAVM pursuant to the MCA Circular	Special Resolution to consider payment of Commission to Non-Executive Directors and Independent Directors in the event of the Company having no profits or inadequate profits in any financial year.
2019-20	Saturday 26th September 2020 11.00 a.m.	3rd Annual General Meeting conducted through VC / OAVM pursuant to the MCA Circular	No Special resolution was passed. No business other than ordinary business was transacted.
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,	- 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.

**9.2 The last three Extra Ordinary General Meeting were held as under:** No Extra ordinary general meeting held in last three years.

**9.3 Details of Resolution Passed through Postal Ballot, the person who conducted the Postal Ballot Exercise and details of the voting pattern:** No Special Resolution was passed in the last year through postal ballot and at present no Special Resolution is proposed to be conducted through postal ballot. Hence, the provisions relating to postal ballot are not required to be complied with.

**10 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 is available on the website of the Company at [www.anupengg.com](http://www.anupengg.com) > Investors > Financial Reports. The press releases, Investor presentations and transcript of post result analyst and investors conference call are available on the website of the Company at [www.anupengg.com](http://www.anupengg.com) > Investors > Financial Reports.

**11 GENERAL SHAREHOLDER INFORMATION****11.1 Annual General Meeting:**

Date	8th August 2022
Time	11:00 a.m.
Venue	Through Video Conferencing /Other Audio Visual Means. For details of VC/ OAVM please refer to the Notice of this AGM.

### 11.2 Financial Calendar (Tentative):

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

Quarterly results and Limited Review for the quarter ending 30th June 2022	Within 45 days of the end of the quarter
Quarterly/Half-yearly results and Limited Review for the quarter ending 30th September 2022	
Quarterly/Nine-months results and Limited Review for the quarter ending 31st December 2022	
Results for the Year ending 31st March 2023	Within 60 days of the end of the financial year

**11.3 Book Closure:** 2nd August 2022 to Monday, 8th August 2022 (Both Days inclusive).

**11.4 Dividend payment Date:** The Company has recommended final dividend of ₹ 8 /- per equity share (80%) subject to the approval of the shareholders at the ensuing AGM. The dividend if declared at the Annual General Meeting will be paid on or after 8th August 2022.

**11.5 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

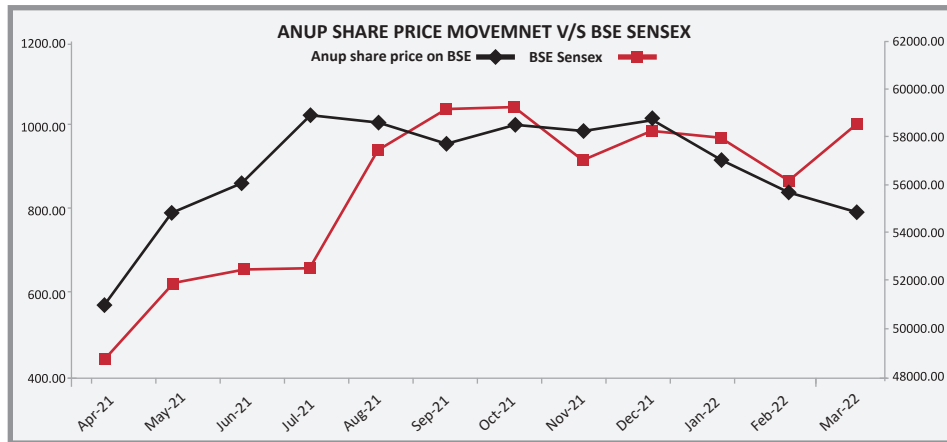
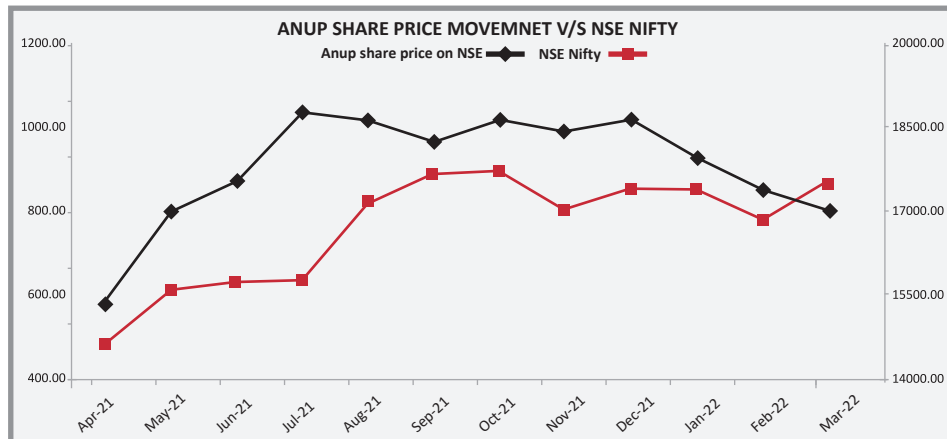
The Company has paid Annual Listing Fees for the Financial Year 2022-23 to each stock Exchanges.

### 11.6 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 2021-22 were as under:

2021-22 Month	Share Price on BSE		Volumes No. of Shares	BSE Sensx		Share Price on NSE		Volumes No. of Shares	NSE (Nifty)	
	High (₹)	Low (₹)		High (₹)	Low (₹)	High (₹)	Low (₹)		High (₹)	Low (₹)
April	629.80	553.00	47,932	50,375.77	47,204.50	624.90	551.40	575,072	15,044.35	14,151.40
May	812.35	567.00	4,42,551	52,013.22	48,028.07	813.00	563.05	2,793,755	15,606.35	14,416.25
June	975.00	786.55	3,08,815	53,126.73	51,450.58	974.00	786.55	2,412,850	15,915.65	15,450.90
July	1,075.00	855.00	2,78,032	53,290.81	51,802.73	1,076.00	851.35	2,334,946	15,962.25	15,513.45
August	1,070.00	891.70	1,48,080	57,625.26	52,804.08	1,070.00	890.00	830,384	17,153.50	15,834.65
September	1,113.15	925.05	1,02,558	60,412.32	57,263.90	1,111.95	906.80	708,528	17,947.65	17,055.05
October	1,110.00	900.05	1,04,513	62,245.43	58,551.14	1,110.00	901.15	765,171	18,604.45	17,452.90
November	1,160.95	921.15	80,565	61,036.56	56,382.93	1,160.65	923.85	544,037	18,210.15	16,782.40
December	1,101.30	963.60	27,096	59,203.37	55,132.68	1,103.55	963.00	428,386	17,639.50	16,410.20
January	1,236.45	909.10	1,07,587	61,475.15	56,409.63	1,236.95	901.00	1,197,122	18,350.95	16,836.80
February	975.00	761.00	48,017	59,618.51	54,383.20	977.00	761.00	437,406	17,794.60	16,203.25
March	892.00	761.25	35,717	58,890.92	52,260.82	896.00	761.00	379,101	17,559.80	15,671.45



**11.7 Performance of the Company's equity shares (closing share price) in comparison to BSE (Sensex)****11.8 Performance of the Company's equity shares (closing share price) in comparison to NSE (Nifty)****11.9 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

**11.10 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 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.

Pursuant to SEBI circular dated 25th January 2022, securities of the Company shall be issued in dematerialized form only while processing service requests in relation to issue of duplicate securities certificate, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

**(ii) Share Transfer Details for the period from 1st April 2021 to 31st March 2022:**

Transactions	Physical
Number of Transfers	2
Number of Shares Transferred	205
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.

**11.11 Category wise shareholding as on 31st March 2022:**

Sr. No.	Category	No. of shares held	% of Shareholding
1	Promoters and Promoter Group	4253215	43.04
2	Mutual Funds	461934	4.67
3	Financial Institutions, Banks, Insurance Companies and Central/State Government	282575	2.86
4	Foreign Portfolio Investors, Foreign Institutional Investors and Foreign Banks	174165	1.76
5	Alternate Investment Funds	565000	5.72
6	NBFCs registered with RBI	1647	0.02
7	Bodies Corporate	462219	4.68
8	Individuals	3362809	34.03
9	IEPF	4009	0.04
10	Trusts	1793	0.02
11	Hindu Undivided Family	141143	1.43
12	Non-Resident Indian (NRI)	154331	1.56
13	Clearing Members	16166	0.16
14	Overseas Bodies Corporates	107	0.00
15	Foreign Nationals	37	0.00
<b>Total</b>		<b>9881150</b>	<b>100.00</b>

**11.12 Distribution of shareholding as on 31st March 2022:**

Share Range		Number of Shareholders	% of total Shareholders	No. of Shares	% of Issued Capital
From	To				
1	500	92876	99.09	1546798	15.65
501	1000	418	0.45	306425	3.10
1001	2000	216	0.23	314307	3.18
2001	3000	64	0.07	160747	1.63
3001	4000	28	0.03	98749	1.00
4001	5000	23	0.02	104904	1.06
5001	10000	47	0.05	354307	3.59
10001	*****	56	0.06	6994913	70.79
<b>Total</b>		<b>93728</b>	<b>100.00</b>	<b>9881150</b>	<b>100.00</b>

**11.13 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 31st March 2022, 97.88% 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).

**Norms for furnishing of PAN, KYC, Bank details and Nomination:**

SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated 3rd November 2021 has mandated the listed companies to have PAN, Contact details, Postal address with PIN, Mobile number, E-mail address, Bank account details (bank name and branch, bank account number, IFS code), Specimen Signature and Nomination of all shareholders holding shares in physical form. Folios wherein any one of the above cited details / documents are not available with company on or after 1st April 2023, shall be frozen as per the aforesaid SEBI circular. The investor service requests forms for updation of above mentioned details viz., Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 are available on our website of the company as well as on the website of RTA. In view of the above, we urge the shareholders to submit the Investor Service Request form along with the supporting documents at the earliest. The Company has sent a letter to the shareholders holding shares in physical form in relation to the aforesaid on 3rd May 2022. In respect of shareholders who hold shares in the dematerialized form and wish to update their above mentioned details are requested to contact their respective Depository Participants.

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

During the financial year 2021-22, 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.

**11.15 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 2022. 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.

**11.16 Commodity price risk or foreign exchange risk and hedging activities:**

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.

**11.17 Plant locations:**

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

**11.18 Address for correspondence:**

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

<p><b>The Anup Engineering Limited</b> Behind 66 KV Elec. Sub-Station, Odhav Road, Ahmedabad- 382415 Phone No. :079-2287 2823, 2287 0622 Email: investorconnect@anupengg.com Website: <a href="http://www.anupengg.com">www.anupengg.com</a></p>	<p><b>Link Intime India Private Limited</b> 506-508, Amarnath Business Centre-1 (abc-1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad - 380006 Phone No. : +91 79 26465179 /86 / 87 E-mail: ahmedabad@linkintime.co.in Website :<a href="http://www.linkintime.co.in">www.linkintime.co.in</a></p>
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**11.19 Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund:**

Unpaid / Unclaimed Dividends in accordance with the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) dividends not encashed / claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid / unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The Members whose dividend / shares are transferred to the IEPF Authority can claim their shares / dividend from the Authority.

The following tables give information relating due dates for transfer of dividend unclaimed to IEPF are as follows:

Financial Year	Rate of Dividend	Date of Declaration of Dividend	Due date for transfer to IEPF*
2017-18	No Dividend	-	-
2018-19	70%	7th August 2019	11th October 2026
2019-20	70%	26th September 2020	1st December 2027
2020-21	70%	17th August 2021	21st October 2028

\* Actual date of transfer may vary.

## 12 OTHER DISCLOSURE

- 12.1** All transactions entered into by the Company with related parties as defined under the Act and SEBI Listing Regulations, during the financial year 2021-22 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 "Notes forming part of the Accounts" annexed to the financial statements for the year. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of Company. Suitable disclosure as required by the Indian Accounting Standard (Ind AS 24) has been made in the Annual Report. The policy on dealing with related party transactions is available on website of the company at [www.anupengg.com](http://www.anupengg.com) > Investors > Policies.
- 12.2** 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.
- 12.3 Vigil Mechanism/Whistleblower Policy:**  
 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 and no personnel has been denied access to the audit committee. The WB Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. Pursuant thereto, a dedicated helpline "Arvind Ethics Helpline" has been set up which is managed by an independent professional organization. The Ethics Helpline can be contacted to report any suspected or confirmed incident of fraud /misconduct on:  
**Website for complaints:** [www.in.kpmg.com/ethicshelpline/Arvind](http://www.in.kpmg.com/ethicshelpline/Arvind)  
**Toll Free No.:** 1800 200 8301  
**Dedicated Email ID:** [arvind@ethicshelpline.in](mailto:arvind@ethicshelpline.in)  
 Whistle blower Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee. No personnel have been denied access to the Chairman of the Audit Committee, for making complaint on any integrity issue.
- 12.4** During the year ended 31st March 2022, the Company does not have any Material Unlisted Subsidiary Company as defined in Regulation 16 of the Listing Regulations. The Company has formed the policy for determining material subsidiary as required by under Regulation 16 of the Listing Regulations and the same is available on the website of the Company at [www.anupengg.com](http://www.anupengg.com) > Investors > Policies.
- 12.5** The policy on dealing with related party transactions is available on website of the company at [www.anupengg.com](http://www.anupengg.com) > Investors > Policies.
- 12.6** 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.
- 12.7 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.
- 12.8** 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.
- 12.9** The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements for Financial Year 2021-22.
- 12.10** Disclosure with respect to demat suspense account/ unclaimed suspense account: Not applicable.

**12.11** 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.

**12.12** During the Financial Year 2021-22, 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 ₹ 21.59 Lakhs.

**12.13 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 2021-22: Nil

Number of complaints disposed off during the financial year 2021-22: NA

Number of complaints pending as on end of the financial year: NA

**13** Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested : Nil

**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 Regulations. The status of compliance with discretionary recommendations and adoption of the non-mandatory requirements as specified in Regulation 27(1) of the SEBI Listing Regulations, 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 and are available on the website of the Company at [www.anupengg.com](http://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.

**14.1 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 Regulations, 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.

**14.2 Certificate on Corporate Governance:**

A compliance certificate from statutory auditor pursuant to the requirements of Schedule V to SEBI Listing Regulations regarding compliance of conditions of Corporate Governance is attached.

The above Report was placed before the Board at its meeting held on 17th May 2022 and the same was approved.

For and on behalf of the Board

**Sanjay S. Lalbhai**

Chairman

DIN: 00008329

Place: Ahmedabad

Date: 17th May 2022

## CEO / CFO Certificate

**(Regulation 17(8) and Part B of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,  
The Board of Directors,  
**The Anup 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 (“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 2022 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  
Date: 17th May 2022

**Rishi Roop Kapoor**  
Chief Executive Officer

**Bhavesh Shah**  
Chief Financial Officer

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## Declaration Regarding Compliance with code of conduct for Directors and Senior Management Personnel

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

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March 2022.

Place: Ahmedabad  
Date: 17th May 2022

**Rishi Roop Kapoor**  
Chief Executive Officer



# Auditors' Certificate regarding compliance of conditions of Corporate Governance

## To the Members of The Anup Engineering Limited

Ahmedabad

We, Sorab S. Engineer and Co., Chartered Accountants, the Statutory Auditors of **The Anup Engineering Limited** ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2022, 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (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, 2022.

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: 22100892AMBBSB3581

Place: Ahmedabad  
Date: 17th May 2022

# Independent Auditor’s Report

## TO THE MEMBERS OF THE ANUP 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 (“the Company”), which comprise the Balance Sheet as at March 31, 2022, 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, 2022, 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.

### 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	<b>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115</b>	<b>Principal Audit Procedures</b> Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

Sr. No.	Key Audit Matter	Auditor’s Response
	<p><b>“Revenue from Contracts with Customers”</b></p> <p>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.</p> <p>Refer Note 17 to the Financial Statements</p>	<ul style="list-style-type: none"> <li>Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</li> <li>Selected a sample of continuing and new contracts and performed the following procedures: <ul style="list-style-type: none"> <li>Read, analysed and identified the distinct performance obligations in these contracts.</li> <li>Compared these performance obligations with that identified and recorded by the Company.</li> <li>Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> <li>Considered the terms of contracts for determination of Principal versus agent consideration, recognition of contract assets and refund liability including historical trend of returns.</li> </ul> </li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
		<ul style="list-style-type: none"> <li>• Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.</li> <li>• Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</li> <li>• We reviewed the collation of information to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balancesheet date.</li> </ul>

#### **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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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;
  - iv.
    1. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    2. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding

- Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
3. Based on the audit procedures conducted by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatements.
  - v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
2. As required by the Companies (Auditor’s Report) Order, 2020 (“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.

Place : Ahmedabad

Date : 17th May 2022

For Sorab S. Engineer & Co.  
Chartered Accountants  
Firm’s Registration No. 110417W

**CA. Chokshi Shreyas B.**

Partner

Membership No.100892  
UDIN: 22100892AMBBGB9389

## 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 of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of THE ANUP ENGINEERING LIMITED (“the Company”) as of March 31, 2022 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, 2022, 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.**

Place : Ahmedabad  
Date : 17th May 2022

Partner  
Membership No.100892



## 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 of even date)

- i. In respect of the Company's fixed assets:
- (1) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (2) The Company has maintained proper records showing full particulars of intangible assets.
- b) The Company has a program of verification to cover all the items of Property, Plant and Equipment 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 Property, Plant and Equipment 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 and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
- e) According to the information and explanation given to us, the Company has no proceedings pending for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii. In respect of Company's Inventories:
- As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion the coverage and procedure of such verification is appropriate, and no material discrepancies were noticed on verification between the physical stocks and the book records which were 10% or more in the aggregate for each class of inventory, and the same have been properly dealt with in the books of account.
  - According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are generally in agreement with the books of account of the Company and no material discrepancy has been noticed.
- 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.
- According to the information and explanations given to us and on the basis of our examination of the records, 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
  - 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.
  - The maintenance of cost records has been specified by the Central Government under section 148 (1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rule, 2014, as amended prescribed by the Central Government under section 148 (1) of the Act, and we are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
  - According to the information and explanations given to us, in respect of statutory dues:
    - 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. 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, 2022 for a period of more than six months from the date they became payable.
    - Details of Income Tax, Excise Duty, Custom Duty, Service Tax, Sales Tax and Value Added Tax dues which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of the statute	Nature of dues	Amount involved and unpaid (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Incometax Act 1961	Incometax	0.07	2016-17	Commissioner of Income tax (Appeals)
		53.83	2017-18	

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

- ix. In our opinion and according to the information and explanations given to us, in respect of Company's Borrowings:
- The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
  - The Company is not a declared willful defaulter by any bank or financial institution or other lender.
  - The Company has not obtained any term loans during the year.
  - The funds raised on short term basis have not been utilized for long term purposes.
  - The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
  - The Company has not raised loans during the year on the pledge of securities held in its subsidiary.
- x. In our opinion and according to the information and explanations given to us, the Company has not raised funds by way of initial public offer or further public offer (including debt instruments) or preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Consequently, the requirements of clause (x) of paragraph 3 of the order are not applicable.
- xi. In respect of fraud by the Company or on the Company:
- Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
  - According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
  - There have been no whistle-blower complaints received during the year by the company.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. In our opinion 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 as required by the applicable Indian Accounting Standard (Ind AS)-24 Related Party Disclosures.
- xiv. Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and (b) of the Order are not applicable.
- b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) and (d) of the Order are not applicable.
- xvii. According to the information and explanations given to us, the Company has not incurred cash losses in current and immediate preceding financial year.
- xviii. According to the information and explanations given to us, there has been no resignation of the statutory auditors during the year.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In respect of the Company's Corporate Social Responsibility(CSR);, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Place : Ahmedabad  
Date : 17th May 2022

**Standalone Balance Sheet** as at March 31, 2022

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	5	<b>18,291.07</b>	18,805.53
(b) Capital work-in-progress	5	<b>1,260.64</b>	153.37
(c) Intangible assets	6	<b>2,020.05</b>	2,372.00
(d) Financial assets			
(i) Investments	7 (a)	<b>2,016.00</b>	1.00
(ii) Other financial assets	7 (e)	<b>68.68</b>	73.00
(e) Other non-current assets	8	<b>762.06</b>	47.40
<b>Total non-current assets (A)</b>		<b>24,418.50</b>	21,452.30
<b>Current assets</b>			
(a) Inventories	9	<b>9,019.69</b>	6,678.02
(b) Financial assets			
(i) Trade receivables	7 (b)	<b>12,479.55</b>	11,030.77
(ii) Cash and cash equivalents	7 (c)	<b>946.45</b>	386.87
(iii) Bank balance other than (ii) above	7 (d)	<b>4,329.57</b>	1,973.70
(iv) Others financial assets	7 (e)	<b>50.60</b>	32.20
(c) Current tax assets (net)	10	-	520.88
(d) Other current assets	8	<b>1,246.12</b>	1,020.27
<b>Total current assets (B)</b>		<b>28,071.98</b>	21,642.71
<b>TOTAL ASSETS (A) + (B)</b>		<b>52,490.48</b>	43,095.01
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	11	<b>988.12</b>	983.12
(b) Other equity	12	<b>38,456.89</b>	32,755.91
<b>Total equity (A)</b>		<b>39,445.01</b>	33,739.03
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Deferred tax liabilities (net)	25	<b>1,165.06</b>	1,247.36
(b) Long-term provisions	14	<b>33.43</b>	8.53
<b>Total non-current liabilities (B)</b>		<b>1,198.49</b>	1,255.89
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	13 (a)	<b>30.85</b>	-
Total outstanding dues of micro enterprises and small enterprises		<b>4,156.35</b>	2,694.66
Total outstanding dues of creditors other than micro enterprises and small enterprises		<b>264.83</b>	249.40
(ii) Other financial liabilities	13 (b)	<b>63.65</b>	62.24
(b) Short-term provisions	14	<b>6,293.81</b>	5,093.79
(c) Other current liabilities	15	<b>1,037.49</b>	-
(d) Current tax liabilities (net)	16	<b>11,846.98</b>	8,100.09
<b>Total current liabilities (C)</b>		<b>11,846.98</b>	8,100.09
<b>TOTAL EQUITY AND LIABILITIES (A) + (B) + (C)</b>		<b>52,490.48</b>	43,095.01
See accompanying notes forming part of the standalone financial statements	3		

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: 17th May 2022

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

**Sanjay S. Lalbhai**  
Chairman  
DIN: 00008329

**Bhavesh Shah**  
Chief Financial Officer  
Place: Ahmedabad  
Date: 17th May 2022

**Punit S. Lalbhai**  
Director  
DIN: 05125502

**Chintankumar Patel**  
Company Secretary

**Rishi Roop Kapoor**  
Chief Executive Officer

# Standalone Statement of profit and loss for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Notes	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>I. INCOME</b>			
(a) Revenue from operations	17	<b>28,824.16</b>	27,912.96
(b) Other income	18	<b>454.02</b>	372.78
<b>TOTAL REVENUE</b>		<b>29,278.18</b>	28,285.74
<b>II. EXPENSES</b>			
(a) Cost of raw materials consumed	19	<b>16,272.51</b>	14,039.52
(b) Changes in inventories of finished goods and work-in-progress	20	<b>(2,255.85)</b>	766.65
(c) Employee benefits expense	21	<b>2,035.48</b>	1,738.37
(d) Finance costs	22	<b>103.15</b>	34.44
(e) Depreciation and amortisation expense	23	<b>1,159.22</b>	1,050.59
(f) Other expenses	24	<b>5,771.65</b>	4,485.56
<b>TOTAL EXPENSES</b>		<b>23,086.16</b>	22,115.13
<b>III. PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)</b>		<b>6,192.02</b>	6,170.61
<b>IV. Exceptional items</b>		-	-
<b>V. PROFIT BEFORE TAX (III-IV)</b>		<b>6,192.02</b>	6,170.61
<b>VI. Tax expense</b>			
(a) Current tax	25	<b>1,545.00</b>	1,515.00
(b) Excess Provision for earlier year		<b>(1,557.37)</b>	(691.60)
(c) Deferred tax Credit		<b>(80.85)</b>	(29.22)
Total tax expense		<b>(93.22)</b>	794.18
<b>VII. PROFIT FOR THE YEAR (V-VI)</b>		<b>6,285.24</b>	5,376.43
<b>VIII. Other comprehensive income/(Loss)</b>			
<b>Items that will not be reclassified to Profit and Loss</b>			
(i) Remeasurement loss of defined benefit plans	30	<b>(5.77)</b>	(2.65)
(ii) Income tax related to above item		<b>1.45</b>	0.67
<b>Net other comprehensive loss</b>		<b>(4.32)</b>	(1.98)
<b>TOTAL OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX (VIII)</b>		<b>(4.32)</b>	(1.98)
<b>IX. TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX (VII+VIII)</b>		<b>6,280.92</b>	5,374.45
<b>X. Earning per equity share [nominal value per share ₹10/-]</b>			
- Basic	32	<b>63.64</b>	52.75
- Diluted		<b>63.25</b>	52.34
See accompanying notes forming part of the standalone financial statements	3		

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: 17th May 2022

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

**Sanjay S. Lalbhai**  
Chairman  
DIN: 00008329

**Bhavesh Shah**  
Chief Financial Officer

Place: Ahmedabad  
Date: 17th May 2022

**Punit S. Lalbhai**  
Director  
DIN: 05125502

**Chintankumar Patel**  
Company Secretary

**Rishi Roop Kapoor**  
Chief Executive Officer

# Standalone Statement of cash flows for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>A Cash Flow from Operating activities</b>		
<b>Profit before taxation</b>	<b>6,192.02</b>	<b>6,170.61</b>
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation/Amortization	1,159.22	1,050.59
Interest Income	(367.79)	(200.66)
Gain on Mutual Fund Investment	-	(71.08)
Interest and Other Borrowing cost	103.15	34.44
Allowance for doubtful debts	186.04	162.82
Allowance for doubtful Advances	3.45	5.71
Bad Debts written off	-	3.39
Property, Plant & Equipment written off	-	35.50
Sundry Credit Balances appropriated	(7.15)	(79.12)
Loss/(Profit) on sale of Property, Plant & Equipment	(1.87)	6.37
Share based payment expense	38.92	44.55
	<b>1,113.97</b>	<b>992.51</b>
<b>Operating Profit before Working Capital Changes</b>	<b>7,305.99</b>	<b>7,163.12</b>
<b>Adjustments for changes in working capital :</b>		
(Increase)/Decrease in inventories	(2,341.67)	3,940.15
(Increase)/Decrease in trade receivables	(1,634.82)	(4,758.47)
(Increase)/Decrease in other financial assets	(14.08)	(2.00)
(Increase)/Decrease in other assets	(230.61)	611.76
Increase/(Decrease) in trade payables	1,499.69	454.51
Increase/(Decrease) in other financial liabilities	5.60	7.86
Increase/(Decrease) in other current liabilities	1,200.02	(868.62)
Increase/(Decrease) in provisions	20.54	(19.84)
Net Changes in Working Capital	<b>(1,495.33)</b>	<b>(634.65)</b>
Cash Generated from Operations	<b>5,810.66</b>	<b>6,528.47</b>
Direct Taxes paid (Net of Tax refund)	<b>1,570.74</b>	<b>(1,229.44)</b>
<b>Net Cash Flow from Operating Activities</b>	<b>7,381.40</b>	<b>5,299.03</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of Property, Plant & Equipment (including Capital advances)	(2,128.16)	(4,028.12)
Proceeds from disposal of Property, Plant & Equipment	16.60	24.21
Sale/(Purchase) of investments	(2,015.00)	4,493.39
Changes in other bank balances	(2,355.87)	(1,852.28)
Interest Received	367.79	171.21
<b>Net Cash Flow (used in) Investing Activities</b>	<b>(6,114.64)</b>	<b>(1,191.59)</b>
<b>C Cash Flow from Financing Activities</b>		
Proceeds from Issue of Share Capital	75.72	47.53
Buy-back of Equity Shares	-	(2,492.11)
Tax on buy-back of Equity Shares	-	(576.76)
Expenses for buy-back of Equity Shares	-	(43.59)
Dividend paid	(679.64)	(702.28)
Payments towards fractional entitlement	(0.11)	(0.19)
Interest Paid	(103.15)	(34.44)
<b>Net Cash Flow used in Financing Activities</b>	<b>(707.18)</b>	<b>(3,801.84)</b>
<b>Net Increase in cash and cash equivalents</b>	<b>559.58</b>	<b>305.60</b>
<b>Cash and Cash equivalent at the beginning of the year</b>	<b>386.87</b>	<b>81.27</b>
<b>Cash and Cash equivalent at the end of the year</b>	<b>946.45</b>	<b>386.87</b>

## Standalone Statement of cash flows for the year ended March 31, 2022

### Reconciliation of cash and cash equivalents

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Cash and cash equivalents :</b>		
Cash on Hand	0.36	0.28
Balances with Banks	946.09	386.59
<b>Cash and cash equivalents as per Balance Sheet (Refer Note 7 (c))</b>	<b>946.45</b>	<b>386.87</b>
<b>Cash and cash equivalents as per Cash flow Statement</b>	<b>946.45</b>	<b>386.87</b>

### See accompanying notes forming part of the standalone financial statements

#### Notes:

- 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 : 17th May 2022

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

**Sanjay S. Lalbhai**  
Chairman  
DIN: 00008329

**Bhavesh Shah**  
Chief Financial Officer  
Place : Ahmedabad  
Date : 17th May 2022

**Punit S. Lalbhai**  
Director  
DIN: 05125502

**Chintankumar Patel**  
Company Secretary

**Rishi Roop Kapoor**  
Chief Executive Officer



# Standalone Statement of changes in Equity for the year ended March 31, 2022

## A. Equity share capital

(₹ in Lakhs)

Particulars	Amount
<b>As at April 1, 2020</b>	<b>1,019.95</b>
Add : Issued during the year under ESOP	1.95
Less: Shares extinguished on buy-back	(38.78)
<b>As at March 31, 2021</b>	<b>983.12</b>
Add : Issued during the year under ESOP	5.00
<b>As at March 31, 2022</b>	<b>988.12</b>

## B. Other equity

Particulars	Reserves and Surplus					Total other equity
	Capital reserve	Capital redemption reserve	Share based payment reserve	Securities premium	Retained earnings	
			Note 33			
<b>Balance as at April 1, 2020</b>	<b>5.00</b>	-	<b>55.66</b>	<b>21,147.27</b>	<b>10,063.58</b>	<b>31,271.51</b>
Profit for the year	-	-	-	-	5,376.43	5,376.43
Other comprehensive income/(loss) for the year	-	-	-	-	(1.98)	<b>(1.98)</b>
<b>Total Comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,374.45</b>	<b>5,374.45</b>
Add: Issue of Shares under Employee Stock Option Plan	-	-	44.55	-	-	<b>44.55</b>
Less: Transfer to Securities premium account	-	-	(2.76)	-	-	<b>(2.76)</b>
Add: Received during the year	-	-	-	45.58	-	<b>45.58</b>
Add: Transfer from Share based payment reserve	-	-	-	2.76	-	<b>2.76</b>
Less: Utilized during the year (Refer Note 41)	-	-	-	(191.93)	-	<b>(191.93)</b>
Less: Created on account of buy-back of equity shares	-	38.78	-	-	-	<b>38.78</b>
Less: Buy-back of Equity Shares (Refer Note 11)	-	-	-	(2,453.33)	-	<b>(2,453.33)</b>
Less: Tax on buy-back of Equity Shares (Refer Note 11)	-	-	-	(576.76)	-	<b>(576.76)</b>
Less: Expenses for buy-back of Equity Shares (Refer Note 11)	-	-	-	(43.59)	-	<b>(43.59)</b>
Less: Transfer to Capital Redemption Reserve	-	-	-	(38.78)	-	<b>(38.78)</b>
Less: Dividend paid during the year	-	-	-	-	(714.57)	<b>(714.57)</b>
<b>Balance as at March 31, 2021</b>	<b>5.00</b>	<b>38.78</b>	<b>97.45</b>	<b>17,891.22</b>	<b>14,723.46</b>	<b>32,755.91</b>
<b>Balance as at April 1, 2021</b>	<b>5.00</b>	<b>38.78</b>	<b>97.45</b>	<b>17,891.22</b>	<b>14,723.46</b>	<b>32,755.91</b>
Profit for the year	-	-	-	-	6,285.24	6,285.24
Other comprehensive income/(loss) for the year	-	-	-	-	(4.32)	<b>(4.32)</b>
<b>Total Comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,280.92</b>	<b>6,280.92</b>
Add: Issue of Shares under Employee Stock Option Plan	-	-	38.92	-	-	<b>38.92</b>
Less: Transfer to Securities premium account	-	-	(32.38)	-	-	<b>(32.38)</b>
Add: Received during the year	-	-	-	70.72	-	<b>70.72</b>
Add: Transfer from Share based payment reserve	-	-	-	32.38	-	<b>32.38</b>
Less: Dividend paid during the year	-	-	-	-	(689.58)	<b>(689.58)</b>
<b>Balance as at March 31, 2022</b>	<b>5.00</b>	<b>38.78</b>	<b>103.99</b>	<b>17,994.32</b>	<b>20,314.80</b>	<b>38,456.89</b>

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 : 17th May 2022

**For and on behalf of the board of directors of The Anup Engineering Limited****Sanjay S. Lalbhai**

Chairman

DIN: 00008329

**Bhavesh Shah**

Chief Financial Officer

Place : Ahmedabad

Date : 17th May 2022

**Punit S. Lalbhai**

Director

DIN: 05125502

**Chintankumar Patel**

Company Secretary

**Rishi Roop Kapoor**

Chief Executive Officer

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 1. Corporate Information

The Anup 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” erstwhile Companies Act, 1956) applicable in India. Its equity shares are listed on the National Stock Exchange of India Limited (“NSE”) and the BSE Limited. 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 17th May 2022.

### 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, 2022 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

## Notes to the Standalone Financial Statements

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

### 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

## Notes to the Standalone Financial Statements

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, 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 except for Buildings and Plant and Machinery.

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.

Depreciation on certain Buildings and Plant and Machinery are provided on straight line method over the useful lives of the assets based upon the technical evaluation by external agency which are as follows:

Particulars	Useful life
Building	45 Years
Plant and Machinery	30 Years

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.



## Notes to the Standalone Financial Statements

### 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 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 and Finished goods 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.

Inventories of stores and consumables 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



## Notes to the Standalone Financial Statements

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.

## Notes to the Standalone Financial Statements

### 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.

## Notes to the Standalone Financial Statements

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

### Derecognition of financial assets

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

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

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

### Reclassification

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

### Financial liabilities and equity instruments

#### Classification as debt or equity

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

#### Financial liabilities

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

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

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of

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

### Equity instruments

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

### Financial guarantee contracts

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

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

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

### Derecognition of financial liabilities

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

## Notes to the Standalone Financial Statements

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

### 3.15. Government Grants

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

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

### 3.16. Taxes

Tax expense comprises of current income tax and deferred tax.

#### Current income tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

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

#### Deferred tax

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

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

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

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

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

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

## Notes to the Standalone Financial Statements

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.



## Notes to the Standalone Financial Statements

### Cash-settled transactions:

In case of cash-settled transactions, a liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined with the assistance of an external valuer.

### 3.19. Earnings per share (EPS)

Basic EPS is computed by dividing the net profit / loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is computed by dividing the net profit / loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year adjusted for the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the standalone financial statements by the Board of Directors.

### 3.20. Dividend

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

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the Statement of Profit and Loss.

### 3.21. Provisions and Contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When the Company expects some or all of a provision to be reimbursed from third parties, for example, under an insurance

contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised but disclosed in the 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.



## Notes to the Standalone Financial Statements

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.

## Notes to the Standalone Financial Statements

### (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	Capital Work in Progress
<b>Gross Carrying Amount</b>										
<b>As at April 1, 2020</b>	<b>3,601.71</b>	<b>4,831.48</b>	<b>2,061.88</b>	<b>4,810.30</b>	<b>92.09</b>	<b>213.94</b>	<b>49.52</b>	<b>46.10</b>	<b>15,707.02</b>	<b>153.57</b>
Additions	616.02	-	3,625.26	844.11	-	54.75	5.05	12.73	5,157.92	-
Deductions (refer note 1)	-	17.22	6.87	70.97	-	13.21	4.89	2.19	115.35	-
<b>As at April 1, 2021</b>	<b>4,217.73</b>	<b>4,814.26</b>	<b>5,680.27</b>	<b>5,583.44</b>	<b>92.09</b>	<b>255.48</b>	<b>49.68</b>	<b>56.64</b>	<b>20,749.59</b>	<b>153.57</b>
Additions	-	-	121.23	171.70	0.26	10.08	3.20	1.07	307.54	1,107.07
Deductions (refer note 1)	-	17.23	-	7.80	0.14	10.34	-	-	35.51	-
<b>As at March 31, 2022</b>	<b>4,217.73</b>	<b>4,797.03</b>	<b>5,801.50</b>	<b>5,747.34</b>	<b>92.21</b>	<b>255.22</b>	<b>52.88</b>	<b>57.71</b>	<b>21,021.62</b>	<b>1,260.64</b>
<b>Accumulated Depreciation and Impairment</b>										
<b>As at April 1, 2020</b>	-	-	<b>203.58</b>	<b>917.47</b>	<b>41.11</b>	<b>73.08</b>	<b>25.36</b>	<b>32.43</b>	<b>1,293.03</b>	-
Depreciation for the year	-	-	158.56	477.33	8.16	26.99	7.07	4.97	683.08	-
Deductions	-	-	1.38	19.15	-	8.63	2.52	0.37	32.05	-
<b>As at April 1, 2021</b>	-	-	<b>360.76</b>	<b>1,375.65</b>	<b>49.27</b>	<b>91.44</b>	<b>29.91</b>	<b>37.03</b>	<b>1,944.06</b>	-
Depreciation for the year	-	-	216.10	525.15	7.62	29.31	6.42	5.44	790.04	-
Deductions	-	-	-	0.07	0.13	3.35	-	-	3.55	-
<b>As at March 31, 2022</b>	-	-	<b>576.86</b>	<b>1,900.73</b>	<b>56.76</b>	<b>117.40</b>	<b>36.33</b>	<b>42.47</b>	<b>2,730.55</b>	-
<b>Net Carrying Amount</b>										
<b>As at March 31, 2022</b>	<b>4,217.73</b>	<b>4,797.03</b>	<b>5,224.64</b>	<b>3,846.61</b>	<b>35.45</b>	<b>137.82</b>	<b>16.55</b>	<b>15.24</b>	<b>18,291.07</b>	<b>1,260.64</b>
As at March 31, 2021	4,217.73	4,814.26	5,319.51	4,207.79	42.82	164.04	19.77	19.61	18,805.53	153.57

## Notes:

1. Deduction of leasehold land represents amortisation.
2. During the year ended March 31, 2021, the Company has changed the useful life of certain Property, Plant & Equipment based upon the technical evaluation by external agency. Accordingly, change in useful life of the Property, Plant & Equipment is being applied prospectively in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. Had the Company continued with the previously assessed useful life of Property, Plant & Equipment, charge for depreciation for the year ended March 31, 2021 would have been higher by ₹ 6.14 Lakhs.

### 3 Capital work-in-progress ageing schedule:

#### As at 31 March 2022

Capital work-in-Progress	Amount in Intangible under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,146.14	114.50	-	-	1,260.64
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,146.14</b>	<b>114.50</b>	<b>-</b>	<b>-</b>	<b>1,260.64</b>

#### As at 31 March 2021

Capital work-in-Progress	Amount in Intangible under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	153.37	-	-	-	153.37
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>153.37</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>153.37</b>

### Note 6 : Intangible assets

Particulars	Computer Software	Patent & Technical Knowhow	Licenses	Total
<b>Gross Carrying Amount</b>				
<b>As at April 1, 2020</b>	<b>44.20</b>	<b>11.37</b>	<b>3,500.00</b>	<b>3,555.57</b>
Additions	9.70	-	-	9.70
Deductions	-	-	-	-
<b>As at April 1, 2021</b>	<b>53.90</b>	<b>11.37</b>	<b>3,500.00</b>	<b>3,565.27</b>
Additions	-	-	-	-
Deductions	-	-	-	-
<b>As at March 31, 2022</b>	<b>53.90</b>	<b>11.37</b>	<b>3,500.00</b>	<b>3,565.27</b>
<b>Accumulated Depreciation</b>				
<b>As at April 1, 2020</b>	<b>44.11</b>	<b>11.37</b>	<b>787.50</b>	<b>842.98</b>
Amortisation for the year	0.29	-	350.00	350.29
Deductions	-	-	-	-
<b>As at April 1, 2021</b>	<b>44.40</b>	<b>11.37</b>	<b>1,137.50</b>	<b>1,193.27</b>
Amortisation for the year	1.95	-	350.00	351.95
Deductions	-	-	-	-
<b>As at March 31, 2022</b>	<b>46.35</b>	<b>11.37</b>	<b>1,487.50</b>	<b>1,545.22</b>
<b>Net Carrying Amount</b>				
<b>As at March 31, 2022</b>	<b>7.55</b>	<b>-</b>	<b>2,012.50</b>	<b>2,020.05</b>
As at March 31, 2021	9.50	-	2,362.50	2,372.00

## Notes to the Standalone Financial Statements

(₹ in Lakhs)

**Note 7 : Financial assets****7 (a) Investments**

Particulars	Face Value per Share (in ₹)	No. of Shares		Amount	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Non - Current</b>					
<b>a) Investments in equity shares (fully paid up)</b>					
<b>Subsidiaries - measured at cost (unquoted)</b>					
Anup Heavy Engineering Limited	10	30,150	10,000	<b>2,016.00</b>	1.00
<b>Total Non-current Investments in equity shares</b>				<b>2,016.00</b>	1.00
Aggregate amount of quoted investments				-	-
Aggregate amount of unquoted investments				<b>2,016.00</b>	1.00
Aggregate impairment in value of investment				-	-

**Notes:**

- The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

**7 (b) Trade receivables - Current**

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good	<b>12,479.55</b>	11,030.77
Unsecured, Considered Doubtful	<b>348.86</b>	162.82
	<b>12,828.41</b>	11,193.59
Less: Allowance for Doubtful Debts	<b>(348.86)</b>	(162.82)
<b>Total Trade receivables</b>	<b>12,479.55</b>	11,030.77

**Notes:**

- No trade receivables are due from directors or other officers of the Company either severally or jointly with any person nor any trade receivables are due from firms or private companies respectively in which any director is a director, a partner or a member.
- Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.

**3. Allowance for doubtful debts**

Allowance for doubtful debts based on the lifetime expected credit loss model using provision matrix. Movement in allowance for doubtful debt are as follows:

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Balance as per last financial statements	<b>162.82</b>	-
Add: Allowance for the year (Refer Note 24)	<b>186.04</b>	162.82
<b>Total Trade receivables</b>	<b>348.86</b>	162.82

## Notes to the Standalone Financial Statements

(₹ in Lakhs)

### 4 Trade receivables ageing Schedule:

As at 31 March 2022

Particulars	Unbilled Dues	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - Considered Good	-	9,530.13	2,274.31	535.91	123.88	15.32	-	12,479.55
Undisputed Trade receivables - which have significant increase in risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed Trade receivables - Considered Good	-	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in risk	-	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	121.27	117.48	110.11	348.86
<b>Total</b>	<b>-</b>	<b>9,530.13</b>	<b>2,274.31</b>	<b>535.91</b>	<b>245.15</b>	<b>132.80</b>	<b>110.11</b>	<b>12,828.41</b>

As at 31 March 2021

Particulars	Unbilled Dues	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - Considered Good	-	9,573.20	1,193.27	184.50	66.08	13.72	-	11,030.77
Undisputed Trade receivables - which have significant increase in risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed Trade receivables - Considered Good	-	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in risk	-	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	66.08	40.09	56.65	162.82
<b>Total</b>	<b>-</b>	<b>9,573.20</b>	<b>1,193.27</b>	<b>184.50</b>	<b>132.16</b>	<b>53.81</b>	<b>56.65</b>	<b>11,193.59</b>

### 7 (c) Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	0.36	0.28
Balance with Banks		
In Current accounts	4.68	63.51
In Cash credit accounts	93.41	123.08
In Fixed Deposit with original maturity of less than 3 months	848.00	200.00
<b>Total cash and cash equivalents</b>	<b>946.45</b>	<b>386.87</b>



**7 (d) Other bank balance**

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits held as Margin Money*	160.50	153.57
Fixed Deposit with Banks with original maturity of more than 3 months but less than 12 months	4,039.11	1,700.00
Unpaid Dividend account	33.21	23.27
Unpaid Fractional Share account	96.75	96.86
<b>Total other bank balances</b>	<b>4,329.57</b>	<b>1,973.70</b>

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

**7 (e) Other financial assets**

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good unless otherwise stated		
<b>Non-current</b>		
Security deposits	68.68	73.00
<b>Total Non-current Other Financial Asset (A)</b>	<b>68.68</b>	<b>73.00</b>
<b>Current</b>		
Interest receivable	50.60	32.20
<b>Total Current Other Financial Asset (B)</b>	<b>50.60</b>	<b>32.20</b>
<b>Total (A) + (B)</b>	<b>119.28</b>	<b>105.20</b>

**Note 8 : Other Non-Current / Current Assets**

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good unless otherwise stated		
<b>Non-Current</b>		
Capital Advances	760.75	47.40
Pre-paid expense	1.31	-
<b>Other than capital advances</b>		
Advances to suppliers, doubtful	(9.16)	5.71
Less: Allowance for doubtful advances	9.16	(5.71)
	<b>762.06</b>	<b>47.40</b>
<b>Current</b>		
Advance to suppliers	633.66	122.95
Balance with Government Authorities (Refer Note below (i))	51.31	151.74
Export incentive receivable	119.48	160.58
Pre-paid expense	441.67	585.00
	<b>1,246.12</b>	<b>1,020.27</b>
<b>Total</b>	<b>2,008.18</b>	<b>1,067.67</b>

(i) Balance with Government Authorities mainly consist of input credit availed.

**Provision for Doubtful Advances**

Movement in provision for doubtful advances:

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Balance at the beginning of the year</b>	<b>5.71</b>	<b>-</b>
Add: Provision made during the year (Refer Note 24)	3.45	5.71
<b>Balance at the end of the year</b>	<b>9.16</b>	<b>5.71</b>

## Notes to the Standalone Financial Statements

(₹ in Lakhs)

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

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials	2,300.17	2,080.43
Stores and spares	202.12	336.04
Work-in-progress	6,504.37	4,261.55
Waste	13.03	-
<b>Total</b>	<b>9,019.69</b>	<b>6,678.02</b>

### Note 10 : Current Tax Assets (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Tax Paid in Advance (Net of Provision)	-	520.88
<b>Total</b>	<b>-</b>	<b>520.88</b>

### Note 11 : Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	₹ in Lakh	No. of shares	₹ in Lakh
<b>Authorised share capital</b>				
Equity shares of ₹ 10/- each	6,52,50,000	6,525.00	6,52,50,000	6,525.00
<b>Issued, subscribed and paid-up share capital</b>				
Equity shares of ₹ 10/- each	98,81,150	988.12	98,31,150	983.12
<b>Total</b>	<b>98,81,150</b>	<b>988.12</b>	<b>98,31,150</b>	<b>983.12</b>

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	₹ in Lakh	No. of shares	₹ in Lakh
Outstanding at the beginning of the year	98,31,150	983.12	1,01,99,518	1,019.95
Add: Issued during the year under ESOP	50,000	5.00	19,482	1.95
Less: Shares extinguished on buy-back	-	-	3,87,850	38.78
Changes in Equity Share Capital during the year	50,000	5.00	(3,68,368)	(36.83)
Outstanding at the end of the year	<b>98,81,150</b>	<b>988.12</b>	<b>98,31,150</b>	<b>983.12</b>

#### (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.

## Notes to the Standalone Financial Statements

(₹ in Lakhs)

**(iii) Details of shareholder holding more than 5% Shares in the Company:**

Name of the Shareholder	As at March 31, 2022	
	No. of shares	% of shareholding
Aura Securities Private Limited	35,51,617	35.94
Abakkus Emerging Opportunities Fund-1	5,65,000	5.72

Name of the Shareholder	As at March 31, 2021	
	No. of shares	% of shareholding
Aura Securities Private Limited	35,51,617	36.13
Hdfc Trustee Company Ltd - (Holding under various schemes)	7,15,049	7.27
Abakkus Emerging Opportunities Fund-1	5,74,900	5.85

**(iv) Shareholding of Promoters**

Sr. No.	Promoters	As at March 31, 2022		
		No. of shares	% of total shares	% change during the year
1	Aura Securities Private Limited	35,51,617	35.94	0.18
2	Aura Business Ventures LLP	3,33,329	3.37	0.02
3	Jayshreeben Sanjaybhai Lalbhai	5,023	0.05	-
4	Kulin Sanjaybhai	1,960	0.02	-
5	Sanjaybhai Shrenikbhai Lalbhai	1,456	0.01	-
6	Punit Sanjaybhai	137	0.00	-
	<b>Promoter Group</b>			
7	Atul Limited	1,52,869	1.55	0.01
8	Aagam Holdings Private Limited	97,491	0.99	0.01
9	Arvind Farms Pvt Ltd	55,189	0.56	-
10	Samvegbhai Arvindbhai (Karta)	7,476	0.08	-
11	Snehal Mohta	7,000	0.07	-
12	Adore Investments Private Limited	6,775	0.07	-
13	Kalpana Shripal Morakhia	4,928	0.05	-
14	Anusandhan Investments Limited	4,259	0.04	-
15	Amardeep Holdings Private Limited	3,490	0.04	-
16	Aayojan Resources Private Ltd	3,370	0.03	-
17	Saumya Samvegbhai Lalbhai	2,863	0.03	-
18	Swati S Lalbhai	2,795	0.03	-
19	Tara S Lalbhai	2,642	0.03	-
20	Sunil Siddharth Lalbhai	2,581	0.03	-
21	Vimla S Lalbhai	2,577	0.03	-
22	Samvegbhai Arvindbhai Lalbhai	1,344	0.01	-
23	Hansa Niranjambhai	1,010	0.01	-
24	Adhinami Investments Private Limited	685	0.01	-
25	Badlani Manini Rajiv	264	0.00	-
26	Astha Lalbhai	71	0.00	-
27	Akshita Holdings Private Limited	5	0.00	-
28	Aura Business Enterprise Pvt Ltd	3	0.00	-
29	Aura Merchandise Pvt. Ltd.	3	0.00	-
30	Aura Securities Pvt Ltd	3	0.00	-

## Notes to the Standalone Financial Statements

(₹ in Lakhs)

### (iv) Shareholding of Promoters

Sr. No.	Promoters	As at March 31, 2021		
		No. of shares	% of total shares	% change during the year
1	Aura Securities Private Limited	35,51,617	36.13	1.30
2	Aura Business Ventures LLP	3,33,329	3.39	0.12
3	Jayshreeben Sanjaybhai Lalbhai	5,023	0.05	-
4	Kulin Sanjaybhai	1,960	0.02	-
5	Sanjaybhai Shrenikbhai Lalbhai	1,456	0.01	-
6	Punit Sanjaybhai	137	0.00	-
	<b>Promoter Group</b>			
7	Atul Limited	1,52,869	1.55	0.06
8	Aagam Holdings Private Limited	97,491	0.99	0.04
9	Arvind Farms Pvt Ltd	55,189	0.56	0.02
10	Samvegbhai Arvindbhai (Karta)	7,476	0.08	-
11	Snehal Mohta	7,000	0.07	-
12	Adore Investments Private Limited	6,775	0.07	-
13	Kalpana Shripal Morakhia	4,928	0.05	-
14	Anusandhan Investments Limited	4,259	0.04	-
15	Amardeep Holdings Private Limited	3,490	0.04	-
16	Aayojan Resources Private Ltd	3,370	0.03	-
17	Saumya Samvegbhai Lalbhai	2,863	0.03	-
18	Swati S Lalbhai	2,795	0.03	-
19	Taral S Lalbhai	2,642	0.03	-
20	Sunil Siddharth Lalbhai	2,581	0.03	-
21	Vimla S Lalbhai	2,577	0.03	-
22	Samvegbhai Arvindbhai Lalbhai	1,344	0.01	-
23	Hansa Niranjnabhai	1,010	0.01	-
24	Adhinami Investments Private Limited	685	0.01	-
25	Badlani Manini Rajiv	264	0.00	-
26	Astha Lalbhai	71	0.00	-
27	Akshita Holdings Private Limited	5	0.00	-
28	Aura Business Enterprise Pvt Ltd	3	0.00	-
29	Aura Merchandise Pvt. Ltd.	3	0.00	-
30	Aura Securities Pvt Ltd	3	0.00	-

\* There is no change in Shareholding pattern as compared to previous year.

### (iv) Shares reserved for issue under options and contracts:

Refer Note 33 for details of shares to be issued under employee stock option Scheme (ANUPESOS 2019).

### (v) In the period of five years immediately preceding March 31, 2022:

- The Company has allotted 1,01,93,962 shares of ₹ 10/- each as fully paid without payment being received in cash pursuant to the Scheme of Arrangement sanctioned by National Company Law Tribunal vide its order dated October 26, 2018 between Arvind Limited, Arvind Fashion Limited, the Company and The Anup Engineering Limited in the year 2018-2019.
- The Company has not allotted any equity shares by way of bonus issue.
- Equity shares extinguished on buy-back

The Company has bought back 3,87,850 equity shares at an average price of ₹ 642.50 per equity share for an aggregate consideration of ₹ 2492.11 Lakhs excluding Transaction Costs. The buy-back commenced on February 24, 2021 and closed on March 15, 2021. All the shares bought back have been extinguished as per the records of the depositories.

### (vi) Objective, policy and procedure of capital management, refer Note 39.

## Notes to the Standalone Financial Statements

**Note 12 : Other Equity****(₹ in Lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(a) Capital reserve</b>		
Balance as per last financial statements	5.00	5.00
Balance at the end of the year	5.00	5.00
<b>(b) Capital redemption reserve</b>		
Balance as per last financial statements	38.78	-
Add: Created on account of buy-back of shares	-	38.78
Balance at the end of the year	38.78	38.78
<b>(c) Securities premium account</b>		
Balance as per last financial statements	17,891.22	21,147.27
Add: Received during the year	70.72	45.58
Add: Transfer from Share based payment reserve	32.38	2.76
Less: Utilized during the year (Refer Note 41)	-	(191.93)
Less: Buy-back of Equity Shares (Refer Note 11)	-	(2,453.33)
Less: Tax on buy-back of Equity Shares (Refer Note 11)	-	(576.76)
Less: Expenses for buy-back of Equity Shares (Refer Note 11)	-	(43.59)
Less: Transfer to Capital Redemption Reserve	-	(38.78)
Balance at the end of the year	17,994.32	17,891.22
<b>(d) Share based payment reserve (Refer Note 33)</b>		
Balance as per last financial statements	97.45	55.66
Add: Addition during the year (Refer Note 21)	38.92	44.55
Less: Transfer to Securities premium account	(32.38)	(2.76)
Balance at the end of the year	103.99	97.45
<b>(e) Retained earnings</b>		
Balance as per last financial statements	14,723.46	10,063.58
Add: Profit for the year	6,285.24	5,376.43
Less: Dividend paid during the year	(689.58)	(714.57)
Add: Other comprehensive loss for the year	(4.32)	(1.98)
Balance at the end of the year	20,314.80	14,723.46
<b>Total Other Equity</b>	<b>38,456.89</b>	<b>32,755.91</b>

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. Capital Redemption Reserve**

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

**c. 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.

**d. 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

#### 13 (a) Trade payable

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Current</b>		
Acceptances	-	-
Other trade payables (Refer note below)		
-Total outstanding dues of micro enterprises and small enterprises	30.85	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	4,156.35	2,694.66
<b>Total</b>	<b>4,187.20</b>	<b>2,694.66</b>

#### Note

Particulars	As at March 31, 2022	As at March 31, 2021
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year:		
i) Principal	30.85	-
ii) Interest	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of 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, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

#### (b) Trade payables ageing Schedule:

As at 31 March 2022

Particulars	Outstanding for following periods from due date of Payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	30.85	-	-	-	-	30.85
Others	1,307.08	2,797.94	31.30	0.83	19.20	4,156.35
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Unbilled dues	-	-	-	-	-	-
<b>Total</b>	<b>1,337.93</b>	<b>2,797.94</b>	<b>31.30</b>	<b>0.83</b>	<b>19.20</b>	<b>4,187.20</b>

As at 31 March 2021

Particulars	Outstanding for following periods from due date of Payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	1,242.77	1,298.64	12.37	140.88	-	2,694.66
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Unbilled dues	-	-	-	-	-	-
<b>Total</b>	<b>1,242.77</b>	<b>1,298.64</b>	<b>12.37</b>	<b>140.88</b>	<b>-</b>	<b>2,694.66</b>



## Notes to the Standalone Financial Statements

(₹ in Lakhs)

**13 (b) Other financial liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Current</b>		
Payable to employees	131.47	128.27
Deposits from vendors, customers	3.40	1.00
Unpaid Dividend	33.21	23.27
Unpaid Fractional Share amount	96.75	96.86
<b>Total</b>	<b>264.83</b>	<b>249.40</b>

**Note:** As on March 31, 2022, there is no amount due and outstanding to be transferred to the Investor Education & Protection Fund (IEPF) (Previous year March 31, 2021; ₹ Nil).

**Note 14 : Provisions**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Long-term</b>		
<b>Provision for employee benefits (Refer note 30)</b>		
Provision for Gratuity	33.43	8.53
	<b>33.43</b>	<b>8.53</b>
<b>Short-term</b>		
<b>Provision for employee benefits (Refer note 30)</b>		
Provision for leave encashment	13.11	17.16
Provision for Gratuity	50.54	45.08
	<b>63.65</b>	<b>62.24</b>
<b>Total</b>	<b>97.08</b>	<b>70.77</b>

**Note 15 : Other current liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from customers	6,236.99	4,839.50
Payable to employees	0.27	-
Statutory dues (provident fund and tax deducted at source etc.)	56.55	254.29
<b>Total</b>	<b>6,293.81</b>	<b>5,093.79</b>

**Note 16 : Current Tax Liabilities (Net)**

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax liabilities (Net of advance)	1,037.49	-
<b>Total</b>	<b>1,037.49</b>	<b>-</b>

## Notes to the Standalone Financial Statements

(₹ in Lakhs)

### Note 17 : Revenue from operations

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Sale of products	27,606.85	27,016.38
Sale of services	380.64	276.65
<b>Other Operating income</b>		
Waste sale	689.69	330.53
Export incentives	68.38	187.88
Foreign exchange fluctuation on vendors and customers	77.38	100.20
Others	1.22	1.32
<b>Total</b>	<b>28,824.16</b>	<b>27,912.96</b>

### Disaggregation of Revenue from contracts with customers

#### Revenue based on Geography

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Domestic	26,072.68	19,292.42
Export	2,751.48	8,620.54
<b>Revenue from Operations</b>	<b>28,824.16</b>	<b>27,912.96</b>

#### Revenue based on business segment

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Engineering Products	28,824.16	27,912.96
<b>Revenue from Operations</b>	<b>28,824.16</b>	<b>27,912.96</b>

### Reconciliation of revenue from operation with contract price

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue from contract with customers as per the contract price	28,913.06	27,912.96
<b>Adjustment made to contract price on account of:</b>		
a) Sales Return	88.90	-
<b>Revenue from Operations</b>	<b>28,824.16</b>	<b>27,912.96</b>

## Notes to the Standalone Financial Statements

(₹ in Lakhs)

**Note 18 : Other income**

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest income on financial assets measured at amortised cost		
- Fixed Deposits	164.02	197.13
- Loans and Advances	10.39	3.53
- Others	193.38	-
Gain on Investment in Mutual Funds measured at fair value through profit & loss	-	71.08
Sundry Credit balances appropriated	7.15	79.12
Profit on sale of Property, Plant & Equipment	1.87	-
Lease income	69.38	17.35
Insurance claim	1.59	-
Miscellaneous income	6.24	4.57
<b>Total</b>	<b>454.02</b>	<b>372.78</b>

**Note 19 : Cost of raw materials consumed**

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Inventory at the beginning of the year	2,080.43	4,846.21
Add: Purchases during the year	16,492.25	11,273.74
	<b>18,572.68</b>	<b>16,119.95</b>
Less: Inventory at the end of the year	2,300.17	2,080.43
<b>Total</b>	<b>16,272.51</b>	<b>14,039.52</b>

**Note 20 : Changes in inventories of finished goods and work-in-progress**

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Inventories at the end of the year</b>		
Waste	13.03	-
Work-in-Progress	6,504.37	4,261.55
	<b>6,517.40</b>	<b>4,261.55</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	-	1.39
Work-in-Progress	4,261.55	5,026.81
	<b>4,261.55</b>	<b>5,028.20</b>
<b>(Increase) / Decrease in Inventories</b>	<b>(2,255.85)</b>	<b>766.65</b>
<b>Total</b>	<b>(2,255.85)</b>	<b>766.65</b>

## Notes to the Standalone Financial Statements

(₹ in Lakhs)

### Note 21 : Employee benefits expense

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Salaries, Wages, Gratuity, Bonus and Commission (Refer Note 30)	1,811.82	1,555.46
Contribution to provident and other funds (Refer Note 30)	96.50	61.90
Staff welfare and training expenses	88.24	76.46
Share based payment to employees (Refer Note 33)	38.92	44.55
<b>Total</b>	<b>2,035.48</b>	<b>1,738.37</b>

### Note 22 : Finance costs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest expense on Financial Liabilities measured at amortised cost		
- Others	24.85	12.42
Other borrowing cost	78.30	22.02
<b>Total</b>	<b>103.15</b>	<b>34.44</b>

### Note 23 : Depreciation and amortization expense

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Depreciation on Property, Plant and Equipments (Refer Note 5)	807.27	700.30
Amortization of Intangible assets (Refer Note 6)	351.95	350.29
<b>Total</b>	<b>1,159.22</b>	<b>1,050.59</b>

**Notes to the Standalone Financial Statements****Note 24 : Other expenses****(₹ in Lakhs)**

<b>Particulars</b>	<b>Year Ended March 31, 2022</b>	Year Ended March 31, 2021
Power and fuel	<b>272.16</b>	157.60
Stores and spares consumed	<b>743.37</b>	824.51
Job Work Charges	<b>2,695.21</b>	1,851.84
Lease rent for Low-value assets (Refer Note 34)	<b>63.63</b>	14.09
Royalty	<b>298.22</b>	55.14
Insurance	<b>72.28</b>	83.52
Printing, stationery and communication	<b>32.36</b>	40.06
Commission, Brokerage and Discount	<b>21.28</b>	3.24
Rates and taxes	<b>8.91</b>	7.40
Repairs :		
To Building	<b>14.88</b>	11.55
To Machineries	<b>232.63</b>	222.27
To Others	<b>4.25</b>	1.10
Freight, insurance and clearing charge	<b>356.34</b>	356.04
Inspection Fees	<b>150.99</b>	60.98
Retainership Fees	<b>67.02</b>	71.42
Advertisement and publicity	<b>16.63</b>	12.59
Legal and Professional charges	<b>60.74</b>	52.89
Expenditure under CSR Activity (Refer Note 35)	<b>127.50</b>	82.00
Conveyance and Travelling expenses	<b>19.56</b>	10.24
Director's sitting fees	<b>4.80</b>	4.80
Director's commission	<b>27.00</b>	54.00
Loss on sale of Property, Plant & Equipment	-	6.37
Allowance for doubtful debts (Refer Note 7(b))	<b>186.04</b>	162.82
Allowance for doubtful Advances (Refer Note 8)	<b>3.45</b>	5.71
Bad Debts written off	-	3.39
Property, Plant & Equipment written off	-	35.50
Auditor's remuneration (refer note (i) below)	<b>21.59</b>	14.85
Bank charges	<b>88.01</b>	120.74
Miscellaneous expenses	<b>182.80</b>	158.90
<b>Total</b>	<b>5,771.65</b>	4,485.56

**(i) Break up of Auditor's remuneration**

<b>Particulars</b>	<b>Year Ended March 31, 2022</b>	Year Ended March 31, 2021
<b>Payment to Auditors as</b>		
Auditors	<b>8.29</b>	7.82
For tax audit	<b>1.55</b>	1.46
For Other Services	<b>10.64</b>	4.52
For reimbursement of expenses	<b>1.11</b>	1.05
<b>Total</b>	<b>21.59</b>	14.85

## Notes to the Standalone Financial Statements

(₹ in Lakhs)

### Note 25 : Income tax

The major component of income tax expense for the years ended March 31, 2022 and March 31, 2021 are as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Statement of Profit and Loss</b>		
Current income tax	1,545.00	1,515.00
Excess Provision for earlier year (Refer Note below)	(1,557.37)	(691.60)
Deferred tax expense/(credit)	(80.85)	(29.22)
<b>Income tax expense in the Statement of Profit and Loss</b>	<b>(93.22)</b>	<b>794.18</b>
<b>Statement of Other comprehensive income (OCI)</b>		
Deferred tax expense/(credit)	(1.45)	(0.67)
<b>Income tax expense/(credit) recognised in OCI</b>	<b>(1.45)</b>	<b>(0.67)</b>

Note : The Company has decided to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 for the year 2019-2020 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 which was subsequently converted into an Act, at the time of filing return of income. Accordingly, the Company has recognised provision for income taxes based on the rate prescribed in the aforesaid section. Further, management reviewed current tax and the components of deferred tax assets/ liabilities leading to a reassessment of its estimates compared to earlier periods. Such re-measurement and change in rate of tax resulted in one-time tax credit of ₹ 443.03 Lakhs which is shown under (Excess)/Short Provision for the year ended March 31, 2021.

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2022 and March 31, 2021.

#### A. Current tax

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Accounting profit before tax</b>	<b>6,192.02</b>	6,170.61
Tax Rate	25.17%	25.17%
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	1,558.53	1,553.14
<b>Adjustment</b>		
On account of revaluation of tax base of non-depreciable assets (due to indexation benefit)	(41.88)	(31.41)
Expenditure not deductible for tax/not liable to tax	-	29.50
(Excess)/Short Provision for earlier year	(1,557.37)	(691.60)
Other Adjustment	(52.50)	(65.45)
<b>Total income tax expense</b>	<b>(93.22)</b>	<b>794.18</b>
Effective tax rate	-1.51%	12.87%



## Notes to the Standalone Financial Statements

(₹ in Lakhs)

**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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Accelerated depreciation for tax purposes	(992.98)	(980.52)	12.46	64.65
Impact of fair valuation of Land	(315.87)	(357.75)	(41.88)	(31.41)
Expenditure allowable on payment basis	24.43	17.81	(6.63)	4.32
Expenditure allowable over the period (Section 35D)	3.08	6.16	3.08	(0.45)
Others	116.28	66.94	(49.33)	(67.00)
<b>Deferred tax expense/(income)</b>			<b>(82.30)</b>	<b>(29.89)</b>
<b>Net deferred tax liabilities</b>	<b>(1,165.06)</b>	<b>(1,247.36)</b>		
<b>Reflected in the balance sheet as follows</b>				
Deferred tax liabilities	(1,308.85)	(1,338.27)		
Deferred tax assets	143.79	90.91		
<b>Deferred tax liabilities (net)</b>	<b>(1,165.06)</b>	<b>(1,247.36)</b>		

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

**Note 26 : Contingent liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Contingent liabilities not provided for</b>		
(i) Guarantees given by banks on behalf of the Company	<b>17,415.71</b>	15,906.70
(ii) Disputed Demands in respect of: Income tax (Refer notes below)	<b>53.90</b>	62.10

**Notes :**

- It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
- The Company does not expect any reimbursements in respect of the above contingent liabilities.
- The Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

**Note 27 : Capital commitment and other commitments**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(a) Capital commitments</b>	<b>84.23</b>	398.84
<b>(b) Other commitments</b>	-	-

## 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, 2022		As at March 31, 2021	
		FC	₹ in Lakhs	FC	₹ in Lakhs
Receivables	USD	9,66,033	732.18	29,58,275	2,162.79
Payable to creditors	USD	6,09,168	461.70	73,500	53.74
	EURO	20,190	17.00	-	-

### 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/As at March 31, 2022	Year Ended/As at March 31, 2021
<b>Segment Revenue*</b>		
(a) In India	26,072.68	19,292.42
(b) Rest of the world	2,751.48	8,620.54
<b>Total</b>	<b>28,824.16</b>	<b>27,912.96</b>
<b>Carrying Cost of Segment Non Current Assets@</b>		
(a) In India	22,333.82	21,378.30
(b) Rest of the world	-	-
<b>Total</b>	<b>22,333.82</b>	<b>21,378.30</b>

\* Based on location of Customers

@ Other than financial assets.

#### Information about major customers:

Considering the nature of business of company in which it operates, the company deals with various customers including multiple geographics. There are three (3) customers together contributing ₹ 17,664.70 Lakhs (March 31, 2021 : 3 customers, ₹ 14,583.61 Lakhs) of the total revenue of the Company from domestic and export sales.

## Notes to the Standalone Financial Statements

### Note 30 : Disclosure pursuant to Employee benefits

#### A. Defined contribution plans:

Amount of ₹ 67.96 Lakhs (March 31, 2021: ₹ 60.31 lakhs) is recognised as expenses and included in Note No. 21 "Employee benefit expense".

(₹ in Lakhs)

Particulars	Year Ended	Year Ended
	March 31, 2022	March 31, 2021
Contribution to Provident Fund and Pension [Note (a)]	67.96	60.31
<b>Total</b>	<b>67.96</b>	<b>60.31</b>

**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 further obligation 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

(₹ in Lakhs)

Changes in defined benefit obligation and plan assets as at March 31, 2022:

Particulars	As at April 1, 2021		Charged to statement of profit and loss		Benefit paid	Remeasurement gains/(losses) in other comprehensive income		As at March 31, 2022
	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 demographic assumptions	Actuarial changes arising from changes in financial assumptions	
<b>Gratuity</b>								
Defined benefit obligation	130.35	20.96	8.85	29.81	(20.04)	4.63	(10.17)	145.68
Fair value of plan assets	(76.74)	-	(5.22)	(5.22)	20.04	-	(0.21)	(61.71)
<b>Net Benefit liability/(asset)</b>	<b>53.61</b>	<b>20.96</b>	<b>3.63</b>	<b>24.59</b>	<b>-</b>	<b>4.63</b>	<b>(10.38)</b>	<b>83.97</b>

Changes in defined benefit obligation and plan assets as at March 31, 2021

Particulars	As at April 1, 2020		Charged to statement of profit and loss		Benefit paid	Remeasurement gains/(losses) in other comprehensive income		As at March 31, 2021
	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 demographic assumptions	Actuarial changes arising from changes in financial assumptions	
<b>Gratuity</b>								
Defined benefit obligation	102.30	18.41	7.03	25.44	-	(0.91)	(1.70)	130.35
Fair value of plan assets	(71.85)	-	(4.93)	(4.93)	-	-	(0.04)	(76.74)
<b>Net Benefit liability/(asset)</b>	<b>30.45</b>	<b>18.41</b>	<b>2.10</b>	<b>20.51</b>	<b>-</b>	<b>(0.91)</b>	<b>(1.74)</b>	<b>53.61</b>

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Insurance fund	100.00%	100.00%
<b>(%) of total plan assets</b>	<b>100.00%</b>	<b>100.00%</b>

## Notes to the Standalone Financial Statements

The principal assumptions used in determining above defined benefit obligations plans are shown below:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	7.23%	6.80%
Future salary increase	8.00%	8.00%
Expected rate of return on plan assets	7.23%	6.80%
Attrition rate	5.00%	5.00%
Mortality rate during employment	<b>Indian Assured lives Mortality (2012-14) Urban</b>	Indian Assured lives Mortality (2006-08) Ultimate
Mortality rate after employment	<b>NA</b>	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, 2022	Year ended March 31, 2021
<b>Gratuity</b>			
Discount rate	1% increase	(12.65)	(12.15)
	1% decrease	14.76	14.27
Salary increase	1% increase	12.96	13.22
	1% decrease	(12.06)	(11.47)
Attrition rate	1% increase	(1.03)	(1.50)
	1% decrease	1.13	1.67

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, 2022	As at March 31, 2021
<b>Gratuity</b>		
Within the next 12 months	13.48	9.83
Between 2 to 5 years	29.89	26.31
Beyond 5 years	295.67	266.39
<b>Total expected payments</b>	<b>339.04</b>	<b>302.53</b>

## Notes to the Standalone Financial Statements

(₹ in Lakhs)

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

Particulars	As at March 31, 2022 In Years	As at March 31, 2021 In Years
Gratuity	12	12

Prescribed contribution for next year - ₹ 50.55 Lakhs (Previous year ₹ 45.08 Lakhs)

### 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 ₹ 14.49 Lakhs (March 31, 2021: ₹ 17.41 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. Samveg A. Lalbhai	Non-Executive Director
4	Mr. Arpit K. Patel	Independent Director
5	Smt. Reena Bhagwati	Independent Director
6	Mr. Ganpatraj L. Chowdhary	Independent Director
7	Mr. Rishi Roop Kapoor	Chief Executive Officer
8	Mr. Bhavesh Shah	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



**Notes to the Standalone Financial Statements****(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		Year end		Year end		Year end	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>(I) Transactions during the year</b>								
Remuneration	-	-	481.98	400.91	-	-	-	-
Sitting Fees	-	-	4.80	4.80	-	-	-	-
Commission	-	-	27.00	54.00	-	-	-	-
Goods purchased	-	-	-	-	64.77	1.01	-	-
Sale of goods	-	-	-	-	11.33	-	-	-
Services rendered	-	-	-	-	102.48	46.87	-	-
Reimbursement of expenses	7.09	6.33	-	-	-	-	5.68	4.14
Interest Income	7.87	-	-	-	-	-	-	-
Loan given	2,015.00	-	-	-	-	-	-	-
Loan repaid	2,015.00	-	-	-	-	-	-	-
Lease Income	69.38	17.35	-	-	-	-	-	-
Investment made	2,015.00	-	-	-	-	-	-	-
<b>(II) Balances at year end</b>								
Trade and Other Payable	-	-	25.65	-	2.22	109.22	-	-
Trade Receivable	-	19.17	-	-	-	-	-	-
Investment in shares-unquoted	2,016.00	1.00	-	-	-	-	-	-
Other Current Liability	-	-	-	-	0.16	-	-	-
Other Current Asset	-	6.26	-	-	-	-	31.92	26.24

**(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.

(d) Disclosures pursuant to the Regulation 34(3) read with para A of Schedule V to the SEBI (Listing obligations and disclosure requirements) Regulations, 2015 read with section 186(4) of the Companies Act, 2013

**Loans and Advances in the nature of loans**

Subsidiary	Purpose	Closing Balance		Maximum Outstanding	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Loans and Advances</b>					
Anup Heavy Engineering Limited	General Business Purpose	-	-	20.15	-
<b>Total</b>		-	-	20.15	-

**(e) Commitments with related parties**

The Company has not provided any commitment to the related party as at March 31, 2022 (March 31, 2021: ₹ Nil)

**(f) Transactions with key management personnel**

Compensation of key management personnel of the Company

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Short-term employee benefits	463.09	384.91
Termination benefits	18.89	16.00
Commission to directors	27.00	54.00
Total compensation paid to key management personnel	508.98	454.91

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

## Notes to the Standalone Financial Statements

(₹ in Lakhs)

### Note 32 : Earning per share

Particulars		Year Ended	Year Ended
		March 31, 2022	March 31, 2021
<b>Earning per share</b>			
Profit attributable to ordinary equity holders	₹ in Lakhs	<b>6,285.24</b>	5,376.43
Weighted average number of equity shares for basic EPS (a)	No.	<b>98,76,405</b>	1,01,93,100
Effect of potential Ordinary shares on Employee Stock Options outstanding (b)	No.	<b>60,953</b>	78,518
<b>Weighted average number of Ordinary shares in computing diluted earnings per share (a) + (b)</b>			
Nominal value of equity shares	No.	<b>99,37,358</b>	1,02,71,618
Basic earning per share	₹	<b>10/-</b>	10/-
Diluted earning per share	₹	<b>63.64</b>	52.75
		<b>63.25</b>	52.34

### 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 issued 87,500, 58,371 and 57,500 options respectively convertible into equal number of Equity Shares of face value of ₹ 10/- each. The following table sets forth the particulars of the options issued and vested during the Financial Year 2021-22 under ESOP 2018, ESOS DEMERGER 2018 and Anup - ESOS 2019:

Scheme	Anup – ESOS 2019
Date of grant	26-Oct-21
Expiry Date	5 years from the date of vesting.
Number of options granted	20000
Exercise price per option	929.95
Vesting schedule	Step Vesting over 3 years
Vesting requirements	Based on passage of time, continued employment and achievement of vesting conditions.
Exercise period	5 years from the date of vesting.
Method of settlement	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 :

Particulars	Year Ended March 31, 2022					
	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	37,500	373.52	87,500	151.43	33,333	385.29
Vested but not exercised at the beginning of the year	-	-	-	-	-	-
Granted during the year	20,000	929.95	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	-	-	50,000	151.43	-	-
Expired during the year	-	-	-	-	-	-
Outstanding at the end of the year	57,500	567.06	37,500	151.43	33,333	385.29
Exercisable at the end of the year	-	-	37,500	151.43	33,333	385.29

## Notes to the Standalone Financial Statements

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021					
	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	37,500	373.52	87,500	151.43	52,815	333.18
Vested but not exercised at the beginning of the year	-	-	-	-	-	-
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	-	-	-	-	19,482	244.02
Expired during the year	-	-	-	-	-	-
Outstanding at the end of the year	37,500	373.52	87,500	151.43	33,333	385.29
Exercisable at the end of the year	-	-	87,500	151.43	33,333	385.29

## C. Share Options Exercised during the year

Option Series	No. of Options	Exercise Date	Weighted Average Share Price at Exercise Date
ESOS 2018	20,000	20-May-21	151.43
ESOS 2018	30,000	09-Sep-21	151.43

## Share Options Exercised during the year 2020-2021

Option Series	No. of Options	Exercise Date	Weighted Average Share Price at Exercise Date
ESOS DEMERGER 2018	8,741	14-Sep-20	244.02
ESOS DEMERGER 2018	10,741	12-Oct-20	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 – ₹. 10.00 to ₹ 929.95 Weighted average remaining contractual life – 6.76 years	Exercise price range – ₹ 151.43 Weighted average remaining contractual life –	Exercise price range – ₹ 385.29 Weighted average remaining contractual life – 0.39 years

## E. Significant Assumptions of Valuation on New Grant

Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted average information, namely

(i) Risk-free interest rate,	5.08%
(ii) Expected life,	2.93 Years
(iii) Expected volatility,	50.54%
(iv) Expected dividends,	0.73%
(v) Fair Value of the underlying share at the time of grant of the option.	954.4

## Notes to the Standalone Financial Statements

(₹ in Lakhs)

### 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:

Particulars	Year Ended	Year Ended
	March 31, 2022	March 31, 2021
Share Based Payment to Employees	38.92	44.55

### Note 34 : Leases

The Company has incurred ₹ 63.63 Lakhs (Previous year ₹ 14.09 Lakhs) towards expenses relating to leases of low-value assets.

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

Particulars	As at	As at
	March 31, 2022	March 31, 2021
a) Gross amount required to be spent by the Company during the year	123.42	81.19
b) Amount spend during the year (in cash)		
i) Construction/acquisition of any asset	-	-
ii) Contribution to various Trusts/NGOs/Societies/Agencies and utilization thereon	127.50	82.00
iii) Expenditure on Administrative Overheads for CSR	-	-
c) Amount unspent during the year	-	-
d) Total of previous years shortfall	-	-
e) Reasons for shortfall	-	-
f) Details of related party transactions		
Name		--
Relationship	-	-
Amount	-	-
g) Movement of CSR Provision		
Balance as per last financial statements	-	-
Add: Provision made during the year	-	-
(Less): Utilised during the year	-	-
Balance at the end of the year	-	-

### Note 36: Financial Instruments by category

#### (i) Financial assets by category

Particulars	As at March 31, 2022				As at March 31, 2021			
	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	2,016.00	-	-	2,016.00	1.00	-	-	1.00
Trade receivables	-	-	12,479.55	12,479.55	-	-	11,030.77	11,030.77
Cash and cash equivalents	-	-	946.45	946.45	-	-	386.87	386.87
Other bank balances	-	-	4,329.57	4,329.57	-	-	1,973.70	1,973.70
Other financial assets	-	-	119.28	119.28	-	-	105.20	105.20
<b>Total Financial assets</b>	<b>2,016.00</b>	<b>-</b>	<b>17,874.85</b>	<b>19,890.85</b>	<b>1.00</b>	<b>-</b>	<b>13,496.54</b>	<b>13,497.54</b>

## Notes to the Standalone Financial Statements

(₹ in Lakhs)

**(ii) Financial liabilities by category**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Amortised cost	Total	Amortised cost	Total
Trade payable	4,187.20	4,187.20	2,694.66	2,694.66
Other Financial Liabilities	264.83	264.83	249.40	249.40
<b>Total Financial liabilities</b>	<b>4,452.03</b>	<b>4,452.03</b>	<b>2,944.06</b>	<b>2,944.06</b>

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

**Note 37 : 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.

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Financial assets</b>		
Investments measured at cost		
Carrying Amount	2,016.00	1.00
Fair Value	2,016.00	1.00

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.

**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

## Notes to the Standalone Financial Statements

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.

As on March 31, 2022, the Company does not have any borrowings.

### (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. Details of the hedge & unhedged position of the Company given in Note 28.

### Foreign currency sensitivity

The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure in USD and EURO with a simultaneous parallel foreign exchange rates shift in the currencies by 2% against the functional currency of the respective entities. The company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in Currency rate	Effect on profit before tax in USD rate	(₹ in Lakhs)
			Effect on profit before tax in EURO rate
March 31, 2022	+2%	5.41	(0.34)
	-2%	(5.41)	0.34
March 31, 2021	+2%	42.18	-
	-2%	(42.18)	-

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

## Notes to the Standalone Financial Statements

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. However, 3 customers contribute to more than 10% of outstanding accounts receivable as of March 31, 2022 (2 customers contribute to more than 10% of outstanding accounts receivable as of March 31, 2021).

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
<b>March 31, 2022</b>				
Trade payables	4,187.20	-	-	4,187.20
Other financial liabilities	264.83	-	-	264.83
	<b>4,452.03</b>	<b>-</b>	<b>-</b>	<b>4,452.03</b>
<b>March 31, 2021</b>				
Trade payables	2,694.66	-	-	2,694.66
Other financial liabilities	249.40	-	-	249.40
	<b>2,944.06</b>	<b>-</b>	<b>-</b>	<b>2,944.06</b>

### 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.



## Notes to the Standalone Financial Statements

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, 2022	As at March 31, 2021
(a) Interest bearing loans and borrowings	-	-
(b) Less: cash and bank balance (including other bank balance) (Note 7c & 7d)	<b>5,276.02</b>	2,360.57
<b>(c) Net debt (a) - (b)</b>	<b>(5,276.02)</b>	(2,360.57)
(d) Equity share capital (Note 11)	<b>988.12</b>	983.12
(e) Other equity (Note 12)	<b>38,456.89</b>	32,755.91
<b>(f) Total capital (d) + (e)</b>	<b>39,445.01</b>	33,739.03
<b>(g) Total capital and net debt (c) + (f)</b>	<b>34,168.99</b>	31,378.46
<b>(h) Gearing ratio (c)/(g)</b>	<b>-15.44%</b>	-7.52%

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.

### Note 40 : Impact of Covid-19

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases and impact on effectiveness of its hedges. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

### Note 41 : Business Combination

During the year ended March 31, 2021 expenses of ₹ 191.93 Lakhs in connection with 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"), has been adjusted against Securities Premium as mentioned in the Scheme.

### Note 42 : Code on Social Security, 2020

The Parliament of India has approved the Code on Social Security, 2020 (the Code) which may impact the contributions by the Company towards provident fund, gratuity and ESIC. The Code has been published in the Gazette of India. However, the effective date has not yet been notified. The Company will assess the impact of the Code when it comes into effect and will record related impact, if any, in the period the Code becomes effective.

### Note 43 : Recent Pronouncements

"Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian "Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting "Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

## Notes to the Standalone Financial Statements

### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

### Note 44 : Other Notes

- a. During the year ended March 31, 2022 and March 31, 2021, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
  - i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries. Further, during the year ended March 31, 2022 and March 31, 2021, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or ii) provide any guarantee, security, or the like on behalf of the ultimate beneficiaries.
- b. The Company has not invested or traded in Crypto Currency or Virtual Currency during the year ended March 31, 2022 (Previous year: Nil).
- c. No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder during the year ended March 31, 2022 (Previous year: Nil).
- d. The Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority during the year ended March 31, 2022 (Previous year: Nil).
- e. The Company has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961) during the year ended March 31, 2022 (Previous year: Nil).
- f. The Company does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year ended March 31, 2022 (Previous year: Nil).

## Notes to the Standalone Financial Statements

### Note 45 : Ratio Analysis

Particulars	UOM	For the year ended March 31, 2022	For the year ended March 31, 2021	% Variance	Reason for Variance
<b>i) Current Ratio :</b>					
Current Assets (a)	(₹ in Lakhs)	28,071.98	21,642.71		
Current Liabilities (b)	(₹ in Lakhs)	11,846.98	8,100.09		
Current Ratio (a/b)	Times	2.37	2.67	-11%	NA
Numerator - Total Current Assets					
Denominator - Total Current Liabilities					
<b>ii) Debt-Equity Ratio:</b>					
Debt (a)	(₹ in Lakhs)	-	-	-	
Equity (b)	(₹ in Lakhs)	39,445.01	33,739.03		
Debt - Equity Ratio (a/b)	%	-	-	-	NA
Numerator - Total debt					
Denominator - Total equity (Including perpetual Securities)					
<b>iii) Debt Service coverage Ratio :</b>					
Earnings available for Debt services (a)	(₹ in Lakhs)	7,547.61	6,461.46		
Interest + Installments (b)	(₹ in Lakhs)	24.85	12.42		
Debt Service coverage Ratio (a/b)	%	303.73	520.25	-42%	Increase due to improvement in EBITA
Numerator - Profit after taxes and before Depreciation and Amortisation Expenses and Finance Costs and other adjustments like loss/profit on sale of Fixed assets etc.					
Denominator - Interest (excluding interest on lease liabilities) + Lease repayments + Principal Repayment of debt					
<b>iv) Return on Equity Ratio :</b>					
Profit after Taxes	(₹ in Lakhs)	6,285.24	5,376.43		
Equity (b)	(₹ in Lakhs)	39,445.01	33,739.03		
Return on Equity Ratio (a/b)	%	16%	16%	0%	NA
Numerator - Profit/(Loss) after Taxes - Distribution on Perpetual Securities					
Denominator - Average Shareholders' Equity					
<b>v) Inventory Turnover Ratio :</b>					
Cost of Goods Sold/Sale of goods (a)	(₹ in Lakhs)	28,824.16	27,912.96		
Average Inventory (b)	(₹ in Lakhs)	7,848.86	8,648.10		
Inventory Turnover Ratio (a/b)	Times	3.67	3.23	14%	NA
Numerator - Cost of Goods Sold/Sale of goods					
Denominator - (Opening Inventory+ Closing Inventory)/2					

## Notes to the Standalone Financial Statements

**Note 45 : Ratio Analysis**

Particulars	UOM	For the year ended March 31, 2022	For the year ended March 31, 2021	% Variance	Reason for Variance
<b>vi) Trade Receivables turnover Ratio :</b>					
Annual net Credit Sales (a)	(₹ in Lakhs)	28,824.16	27,912.96		
Average Accounts Receivable (b)	(₹ in Lakhs)	11,755.16	8,734.64		
Trade Receivables turnover Ratio (a/b)	Times	2.45	3.20	-23%	NA
Numerator - Net Credit Sales					
Denominator - (Opening trade receivable+ Closing trade receivable)/2 (including unbilled revenue)					
<b>vii) Trade Payables turnover Ratio :</b>					
Costs (a)	(₹ in Lakhs)	16,492.25	11,273.74		
Average Accounts Payable (b)	(₹ in Lakhs)	3,440.93	2,506.97		
Trade Payables turnover Ratio (a/b)	Times	4.79	4.50	7%	NA
Numerator - Net Credit Purchases					
Denominator - (Opening trade payables+ Closing trade payables)/2					
<b>viii) Net Capital turnover Ratio :</b>					
Net Sales (a)	(₹ in Lakhs)	28,824.16	27,912.96		
Working Capital (b)	(₹ in Lakhs)	16,225.00	13,542.62		
Net Capital turnover Ratio (a/b)	%	1.78	2.06	-14%	NA
Numerator - Sale of goods (Net)					
Denominator - Working Capital (Current Assets-Current Liabilities) (As per i)					
<b>ix) Net Profit Ratio :</b>					
Profit/(Loss) after Tax (a)	(₹ in Lakhs)	6,285.24	5,376.43		
Net Sales (b)	(₹ in Lakhs)	28,824.16	27,912.96		
Net Profit Ratio (a/b)	%	22%	19%	13%	NA
Numerator - Profit/(Loss) after tax					
Denominator - Net Sales					
<b>x) Return on Capital Employed (ROCE) :</b>					
Earnings before Interest and Taxes (a)	(₹ in Lakhs)	6,295.17	6,205.05		
Capital Employed (b)	(₹ in Lakhs)	40,610.07	34,986.39		
Return on Capital Employed (a/b)	%	16%	18%	-13%	NA
Numerator - Earnings before Interest and Taxes					
Denominator - (Total Equity (Including Perpetual Securities) + Total Debt + Deferred Tax Liabilities)/(Assets)					
<b>xi) Return on Investment (ROI) :</b>					
Return or Profit or Earnings (a)		39.84%	68.44%	-41.79%	Impact of dynamics
Refer Note a below					

## Notes to the Standalone Financial Statements

### Note (a) : Return on Investment

$$(MV(T_1) - MV(T_0) - \text{Sum}[C(t)])$$

$$(MV(T_0) + \text{Sum}[W(t) * C(t)])$$

Where,

T<sub>1</sub> = End of time period

T<sub>0</sub> = Beginning of time period

t = Specific date falling between T<sub>1</sub> and T<sub>0</sub>

MV(T<sub>1</sub>) = Market Value at T<sub>1</sub>

MV(T<sub>0</sub>) = Market Value at T<sub>0</sub>

C(t) = Cash inflow, cash outflow on specific date

W(t) = Weight of the net cashflow (i.e. either net inflow or net outflow) on day 't', calculated as (T<sub>1</sub>-t)/T<sub>1</sub>

### Note 46 : Events occurring after the reporting period

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. As of May 18, 2022, there were no subsequent events and transactions to be recognized or reported that are not already disclosed

### Note 47 : Dividend

"Dividends paid during the year ended March 31, 2022 include an amount of ₹ 7.00 per equity share towards final dividend for the year ended March 31, 2021." Dividends declared by the Company are based on profits available for distribution. On May 17, 2022, the Board of Directors of the Company have proposed a final dividend of ₹ 8.00 per share in respect of the year ended March 31, 2022 subject to the approval of shareholders at the Annual General Meeting.

### Note 48 : Regrouped, Recast, Reclassified

Material regroupings: Appropriate adjustments have been made in the statements of assets and liabilities, statement of profit and loss and cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Company as at March 31, 2022, prepared in accordance with amended Schedule III of Companies Act 2013.

## Independent Auditor's Report

### TO THE MEMBERS OF THE ANUP 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** ("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, 2022, 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, 2022, 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.

#### 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	<b>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances</b>	<b>Principal Audit Procedures</b> Our audit approach consisted testing of the design and operating effectiveness of the

Sr. No.	Key Audit Matter	Auditor's Response
	<p><b>in view of adoption of Ind AS 115 "Revenue from Contracts with Customers"</b></p> <p>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.</p> <p>Refer Note 17 to the Financial Statements</p>	<p>internal controls and substantivetestingas follows:</p> <ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</li> <li>• Selected a sample of continuing and new contracts and performed the following procedures:</li> <li>• Read, analysed and identified the distinct performance obligations in these contracts.</li> <li>• Compared these performance obligations with that identified and recorded by the Company.</li> <li>• Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> <li>• Considered the terms of contracts for determination of Principal versus agent consideration, recognition of contract assets and refund liability including historical trend of returns.</li> <li>• Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
		<p>underlying contracts.</p> <ul style="list-style-type: none"> <li>• Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</li> <li>• We reviewed the collation of information to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</li> </ul>

**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 company which are company 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, 2022 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 company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2022 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 company 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 company incorporated in India.
  - iv.
    - 1 The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and its subsidiary incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"),

- with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary company incorporated in India (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
2. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Holding Company and its subsidiary incorporated in India from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  3. Based on the audit procedures conducted by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatements.
  - v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
  2. As required by the Companies (Auditor’s Report) Order, 2020 (“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.

Place : Ahmedabad  
Date : 17th May 2022

For **Sorab S. Engineer & Co.**  
Firm’s Registration No. 110417W  
Chartered Accountants  
**CA. Chokshi Shreyas B.**  
Partner  
Membership No.100892  
UDIN: 22100892AMBBJH9936

## 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 of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of The Anup Engineering Limited (“the Holding Company”) and its subsidiary company incorporated in India, for the year ended March 31, 2022 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 company, which are company 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 company, which are company 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, 2022, 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.**  
Firm’s Registration No. 110417W  
Chartered Accountants  
**CA. Chokshi Shreyas B.**

Place : Ahmedabad  
Date : 17th May 2022

Partner  
Membership No.100892

## 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 of even date)

- xxi. According to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor’s Report) Order (CARO) reports of the Company included in the consolidated financial statements.

Place : Ahmedabad  
Date : 17th May 2022

For **Sorab S. Engineer & Co.**  
Firm’s Registration No. 110417W  
Chartered Accountants  
**CA. Chokshi Shreyas B.**  
Partner  
Membership No.100892

**Consolidated Balance Sheet** as at March 31, 2022

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	5	<b>18,291.07</b>	18,805.53
(b) Capital work-in-progress	5	<b>3,066.20</b>	153.37
(c) Intangible assets	6	<b>2,020.05</b>	2,372.00
(d) Financial assets			
(i) Other financial assets	7 (d)	<b>68.98</b>	73.30
(e) Other non-current assets	8	<b>983.52</b>	47.40
<b>Total non-current assets (A)</b>		<b>24,429.82</b>	21,451.60
<b>Current assets</b>			
(a) Inventories	9	<b>9,019.69</b>	6,678.02
(b) Financial assets			
(i) Trade receivables	7 (a)	<b>12,479.55</b>	11,011.57
(ii) Cash and cash equivalents	7 (b)	<b>949.51</b>	386.95
(iii) Bank balance other than (ii) above	7 (c)	<b>4,329.57</b>	1,973.70
(iv) Others financial assets	7 (d)	<b>50.60</b>	32.20
(c) Current tax assets (net)	10	-	520.88
(d) Other current assets	8	<b>1,272.62</b>	1,017.27
<b>Total current assets (B)</b>		<b>28,101.54</b>	21,620.59
<b>TOTAL ASSETS (A) + (B)</b>		<b>52,531.36</b>	43,072.19
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	11	<b>988.12</b>	983.12
(b) Other equity	12	<b>38,352.97</b>	32,731.79
<b>Total equity (A)</b>		<b>39,341.09</b>	33,714.91
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Deferred tax liabilities (net)	25	<b>1,165.06</b>	1,247.36
(b) Long-term provisions	14	<b>33.43</b>	8.53
<b>Total non-current liabilities (B)</b>		<b>1,198.49</b>	1,255.89
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	13 (a)	<b>30.85</b>	-
Total outstanding dues of micro enterprises and small enterprises		<b>4,298.66</b>	2,694.66
Total outstanding dues of creditors other than micro enterprises and small enterprises		<b>264.83</b>	249.40
(ii) Other financial liabilities	13 (b)	<b>63.65</b>	62.24
(b) Short-term provisions	14	<b>6,296.55</b>	5,095.09
(c) Other current liabilities	15	<b>1,037.24</b>	-
(d) Current tax liabilities (net)	16	<b>11,991.78</b>	8,101.39
<b>Total current liabilities (C)</b>		<b>11,991.78</b>	8,101.39
<b>TOTAL EQUITY AND LIABILITIES (A) + (B) + (C)</b>		<b>52,531.36</b>	43,072.19

See accompanying notes forming part of the Consolidated financial statements

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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 : 17th May 2022

**For and on behalf of the board of directors of The Anup Engineering Limited****Sanjay S. Lalbhai**Chairman  
DIN: 00008329**Bhavesh Shah**

Chief Financial Officer

Place : Ahmedabad

Date : 17th May 2022

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

Company Secretary

**Rishi Roop Kapoor**

Chief Executive Officer

# Consolidated Statement of profit and loss for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Notes	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>I. INCOME</b>			
(a) Revenue from operations	17	<b>28,824.16</b>	27,912.96
(b) Other income	18	<b>376.77</b>	355.43
<b>TOTAL REVENUE</b>		<b>29,200.93</b>	28,268.39
<b>II. EXPENSES</b>			
(a) Cost of raw materials consumed	19	<b>16,272.51</b>	14,039.52
(b) Changes in inventories of finished goods and work-in-progress	20	<b>(2,255.85)</b>	766.65
(c) Employee benefits expense	21	<b>2,035.48</b>	1,738.37
(d) Finance costs	22	<b>103.15</b>	34.44
(e) Depreciation and amortisation expense	23	<b>1,159.22</b>	1,050.59
(f) Other expenses	24	<b>5,774.20</b>	4,492.32
<b>TOTAL EXPENSES</b>		<b>23,088.71</b>	22,121.89
<b>III. PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)</b>		<b>6,112.22</b>	6,146.50
<b>IV. Exceptional items</b>		-	-
<b>V. PROFIT BEFORE TAX (III-IV)</b>		<b>6,112.22</b>	6,146.50
<b>VI. Tax expense</b>	25		
(a) Current tax		<b>1,545.00</b>	1,515.00
(b) Excess Provision for earlier year		<b>(1,557.37)</b>	(691.60)
(c) Deferred tax Credit		<b>(80.85)</b>	(29.22)
<b>Total tax expense</b>		<b>(93.22)</b>	794.18
<b>VII. PROFIT FOR THE YEAR (V-VI)</b>		<b>6,205.44</b>	5,352.32
<b>VIII. Other comprehensive income/(Loss)</b>			
<b>Items that will not be reclassified to Profit and Loss</b>			
(i) Remeasurement gain/(loss) of defined benefit plans		<b>(5.77)</b>	(2.65)
(ii) Income tax related to above item		<b>1.45</b>	0.67
<b>Net other comprehensive income/(loss)</b>		<b>(4.32)</b>	(1.98)
<b>TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
<b>FOR THE YEAR, NET OF TAX (VIII)</b>		<b>(4.32)</b>	(1.98)
<b>IX. TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX (VII+VIII)</b>		<b>6,201.12</b>	5,350.34
<b>X. Earning per equity share [nominal value per share ₹10/-]</b>	32		
- Basic		<b>62.83</b>	52.51
- Diluted		<b>62.45</b>	52.11
See accompanying notes forming part of the consolidated financial statements	3		

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 : 17th May 2022

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

**Sanjay S. Lalbhai**  
Chairman  
DIN: 00008329

**Bhavesh Shah**  
Chief Financial Officer  
Place : Ahmedabad  
Date : 17th May 2022

**Punit S. Lalbhai**  
Director  
DIN: 05125502

**Chintankumar Patel**  
Company Secretary

**Rishi Roop Kapoor**  
Chief Executive Officer

**Consolidated Statement of cash flows** for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>A Cash Flow from Operating activities</b>		
<b>Profit before taxation</b>	<b>6,112.22</b>	6,146.50
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation/Amortization	1,159.22	1,050.59
Interest Income	(359.92)	(200.66)
Gain on Mutual Fund Investment	-	(71.08)
Interest and Other Borrowing cost	103.15	34.44
Allowance for doubtful debts	186.04	162.82
Allowance for doubtful Advances	3.45	5.71
Bad Debts written off	-	3.39
Property, Plant & Equipment written off	-	35.50
Sundry Credit/Debit Balances appropriated	(7.15)	(79.12)
Loss/(Profit) on sale of Property, Plant & Equipment	(1.87)	6.37
Share based payment expense	38.92	44.55
	<b>1,121.84</b>	992.51
<b>Operating Profit before Working Capital Changes</b>	<b>7,234.06</b>	7,139.01
<b>Adjustments for changes in working capital :</b>		
(Increase)/Decrease in inventories	(2,341.67)	3,940.15
(Increase)/Decrease in trade receivables	(1,654.02)	(4,739.27)
(Increase)/Decrease in other financial assets	(14.08)	(2.30)
(Increase)/Decrease in other assets	(260.11)	614.75
Increase/(Decrease) in trade payables	1,642.00	454.51
Increase/(Decrease) in other financial liabilities	5.60	7.86
Increase/(Decrease) in other current liabilities	1,201.46	(867.32)
Increase/(Decrease) in provisions	20.54	(19.84)
<b>Net Changes in Working Capital</b>	<b>(1,400.28)</b>	(611.46)
<b>Cash Generated from Operations</b>	<b>5,833.78</b>	6,527.55
Direct Taxes paid (Net of Tax refund)	<b>1,570.49</b>	(1,229.44)
<b>Net Cash Flow from Operating Activities</b>	<b>7,404.27</b>	5,298.11
<b>B Cash Flow from Investing Activities</b>		
Purchase of Property, Plant & Equipment	(4,155.18)	(4,028.12)
Proceeds from disposal of Property, Plant & Equipment	16.60	24.21
Changes in other bank balances	(2,355.87)	(1,852.28)
Sale of investments	-	4,493.39
Interest Received	359.92	171.21
<b>Net Cash Flow (used in) Investing Activities</b>	<b>(6,134.53)</b>	(1,191.59)
<b>C Cash Flow from Financing Activities</b>		
Proceeds from Issue of Share Capital	75.72	47.53
Buy back of Equity shares	-	(2,492.11)
Tax on Buy back of equity shares	-	(576.76)
Expenses for buy back for equity shares	-	(43.59)
Dividend paid	(679.64)	(702.28)
Payment towards fractional entitlement	(0.11)	(0.19)
Interest Paid	(103.15)	(34.44)
<b>Net Cash Flow used in Financing Activities</b>	<b>(707.18)</b>	<b>(3,801.84)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>562.56</b>	<b>304.68</b>
<b>Cash and Cash equivalent at the beginning of the year</b>	<b>386.95</b>	<b>82.27</b>
<b>Cash and Cash equivalent at the end of the year</b>	<b>949.51</b>	<b>386.95</b>



## Consolidated Statement of cash flows for the year ended March 31, 2022

### Reconciliation of cash and cash equivalents

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Cash and cash equivalents :</b>		
Cash on Hand	0.36	0.28
Balances with Banks	<u>949.15</u>	<u>386.67</u>
<b>Cash and cash equivalents as per Balance Sheet (Refer Note 7 (b))</b>	<u>949.51</u>	<u>386.95</u>
<b>Cash and cash equivalents as per Cash flow Statement</b>	<u>949.51</u>	<u>386.95</u>

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 : 17th May 2022

#### 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

**Rishi Roop Kapoor**  
Chief Executive Officer

**Bhavesh Shah**  
Chief Financial Officer

**Chintankumar Patel**  
Company Secretary

Place : Ahmedabad  
Date : 17th May 2022

# Consolidated Statement of changes in Equity for the year ended March 31, 2022

## A. Equity share capital

(₹ in Lakhs)

Particulars	Amount
<b>As at April 1, 2020</b>	<b>1,019.95</b>
Add : Issued during the year under ESOP	1.95
Less: Shares extinguished on buy-back	(38.78)
<b>As at March 31, 2021</b>	<b>983.12</b>
Add : Issued during the year under ESOP	5.00
<b>As at March 31, 2022</b>	<b>988.12</b>

## B. Other equity

Particulars	Reserves and Surplus					Total other equity
	Capital reserve	Capital redemption reserve	Share based payment reserve	Securities premium	Retained earnings	
			Note 33			
<b>Balance as at April 1, 2020</b>	<b>5.00</b>	-	<b>55.66</b>	<b>21,147.27</b>	<b>10,063.58</b>	<b>31,271.51</b>
Profit for the year	-	-	-	-	5,352.32	5,352.32
Other comprehensive income/(loss) for the year	-	-	-	-	(1.98)	<b>(1.98)</b>
<b>Total Comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,350.34</b>	<b>5,350.34</b>
Add: Issue of Shares under Employee Stock Option Plan	-	-	44.55	-	-	<b>44.55</b>
Less: Transfer to Securities premium account	-	-	(2.76)	-	-	<b>(2.76)</b>
Add: Received during the year	-	-	-	45.58	-	<b>45.58</b>
Add: Transfer from Share based payment reserve	-	-	-	2.76	-	<b>2.76</b>
Less: Utilized during the year (Refer Note 41)	-	-	-	(191.93)	-	<b>(191.93)</b>
Less: Created on account of buy-back of equity shares	-	38.78	-	-	-	<b>38.78</b>
Less: Buy-back of Equity Shares (Refer Note 11)	-	-	-	(2,453.33)	-	<b>(2,453.33)</b>
Less: Tax on buy-back of Equity Shares (Refer Note 11)	-	-	-	(576.76)	-	<b>(576.76)</b>
Less: Expenses for buy-back of Equity Shares (Refer Note 11)	-	-	-	(43.59)	-	<b>(43.59)</b>
Less: Transfer to Capital Redemption Reserve	-	-	-	(38.78)	-	<b>(38.78)</b>
Less: Dividend paid during the year	-	-	-	-	(714.57)	<b>(714.57)</b>
<b>Balance as at March 31, 2021</b>	<b>5.00</b>	<b>38.78</b>	<b>97.45</b>	<b>17,891.22</b>	<b>14,699.34</b>	<b>32,731.79</b>
<b>Balance as at April 1, 2021</b>	<b>5.00</b>	<b>38.78</b>	<b>97.45</b>	<b>17,891.22</b>	<b>14,699.34</b>	<b>32,731.79</b>
Profit for the year	-	-	-	-	6,205.44	6,205.44
Other comprehensive income/(loss) for the year	-	-	-	-	(4.32)	<b>(4.32)</b>
<b>Total Comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,201.12</b>	<b>6,201.12</b>
Add: Issue of Shares under Employee Stock Option Plan	-	-	38.92	-	-	<b>38.92</b>
Less: Transfer to Securities premium account	-	-	(32.38)	-	-	<b>(32.38)</b>
Add: Received during the year	-	-	-	70.72	-	<b>70.72</b>
Add: Transfer from Share based payment reserve	-	-	-	32.38	-	<b>32.38</b>
Less: Dividend paid during the year	-	-	-	-	(689.58)	<b>(689.58)</b>
<b>Balance as at March 31, 2022</b>	<b>5.00</b>	<b>38.78</b>	<b>103.99</b>	<b>17,994.32</b>	<b>20,210.88</b>	<b>38,352.97</b>

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 : 17th May 2022

**For and on behalf of the board of directors of The Anup Engineering Limited****Sanjay S. Lalbhai**

Chairman

DIN: 00008329

**Bhavesh Shah**

Chief Financial Officer

Place: Ahmedabad

Date : 17th May 2022

**Punit S. Lalbhai**

Director

DIN: 05125502

**Chintankumar Patel**

Company Secretary

**Rishi Roop Kapoor**

Chief Executive Officer

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 1. Corporate Information

The Anup 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” erstwhile Companies Act, 1956) applicable in India. Its equity shares are listed on the National Stock Exchange of India Limited (“NSE”) and the BSE Limited. 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 17th May 2022.

### 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, 2022 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

## Notes to the Consolidated Financial Statements

- 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.

## Notes to the Consolidated Financial Statements

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.

## Notes to the Consolidated Financial Statements

- 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.

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 except for Buildings and Plant and Machinery.

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.

Depreciation on certain Buildings and Plant and Machinery are provided on straight line method over the useful lives of the assets based upon the technical evaluation by external agency which are as follows:

Particulars	Useful life
Building	45 Years
Plant and Machinery	30 Years

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.



## Notes to the Consolidated Financial Statements

### 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



## Notes to the Consolidated Financial Statements

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. Licences are amortized over 10 years.

### 3.10. Inventories

Inventories of Raw material, Work-in-progress and Finished goods 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.

Inventories of stores and consumables 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 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

## Notes to the Consolidated Financial Statements

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:

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

## Notes to the Consolidated Financial Statements

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:

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

### Reclassification

When and only when the business model is changed, the 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 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.

## Notes to the Consolidated Financial Statements

### 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

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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.

##### (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.



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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

## Notes to the Consolidated Financial Statements

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.

#### (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.



## Notes to the Consolidated Financial Statements

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 30.

### (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	Capital Work in Progress
<b>Gross Carrying Amount</b>										
<b>As at April 1, 2020</b>	<b>3,601.71</b>	<b>4,831.48</b>	<b>2,061.88</b>	<b>4,810.30</b>	<b>92.09</b>	<b>213.94</b>	<b>49.52</b>	<b>46.10</b>	<b>15,707.02</b>	<b>153.37</b>
Additions	616.02	-	3,625.26	844.11	-	54.75	5.05	12.73	5,157.92	-
Deductions (refer note 1)	-	17.22	6.87	70.97	-	13.21	4.89	2.19	115.35	-
<b>As at April 1, 2021</b>	<b>4,217.73</b>	<b>4,814.26</b>	<b>5,680.27</b>	<b>5,583.44</b>	<b>92.09</b>	<b>255.48</b>	<b>49.68</b>	<b>56.64</b>	<b>20,749.59</b>	<b>153.37</b>
Additions	-	-	121.23	171.70	0.26	10.08	3.20	1.07	307.54	2,912.83
Deductions (refer note 1)	-	17.23	-	7.80	0.14	10.34	-	-	35.51	-
<b>As at March 31, 2022</b>	<b>4,217.73</b>	<b>4,797.03</b>	<b>5,801.50</b>	<b>5,747.34</b>	<b>92.21</b>	<b>255.22</b>	<b>52.88</b>	<b>57.71</b>	<b>21,021.62</b>	<b>3,066.20</b>
<b>Accumulated Depreciation and Impairment</b>										
<b>As at April 1, 2020</b>	-	-	<b>203.58</b>	<b>917.47</b>	<b>41.11</b>	<b>73.08</b>	<b>25.36</b>	<b>32.43</b>	<b>1,293.03</b>	-
Depreciation for the year	-	-	158.56	477.33	8.16	26.99	7.07	4.97	683.08	-
Deductions	-	-	1.38	19.15	-	8.63	2.52	0.37	32.05	-
<b>As at April 1, 2021</b>	-	-	<b>360.76</b>	<b>1,375.65</b>	<b>49.27</b>	<b>91.44</b>	<b>29.91</b>	<b>37.03</b>	<b>1,944.06</b>	-
Depreciation for the year	-	-	216.10	525.15	7.62	29.31	6.42	5.44	790.04	-
Deductions	-	-	-	0.07	0.13	3.35	-	-	3.55	-
<b>As at March 31, 2022</b>	-	-	<b>576.86</b>	<b>1,900.73</b>	<b>56.76</b>	<b>117.40</b>	<b>36.33</b>	<b>42.47</b>	<b>2,730.55</b>	-
<b>Net Carrying Amount</b>										
<b>As at March 31, 2022</b>	<b>4,217.73</b>	<b>4,797.03</b>	<b>5,224.64</b>	<b>3,846.61</b>	<b>35.45</b>	<b>137.82</b>	<b>16.55</b>	<b>15.24</b>	<b>18,291.07</b>	<b>3,066.20</b>
As at March 31, 2021	4,217.73	4,814.26	5,319.51	4,207.79	42.82	164.04	19.77	19.61	18,805.53	153.37

## Notes:

1. Deduction of leasehold land represents amortisation.
2. During the year ended March 31, 2021, the Company has changed the useful life of certain Property, Plant & Equipment based upon the technical evaluation by external agency. Accordingly, change in useful life of the Property, Plant & Equipment is being applied prospectively in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. Had the Company continued with the previously assessed useful life of Property, Plant & Equipment, charge for depreciation for the year ended March 31, 2021 would have been higher by ₹ 6.14 Lakhs.

## Notes to the Consolidated Financial Statements

(₹ in Lakhs)

### 3 Capital work-in-progress ageing schedule:

#### As at 31 March 2022

Capital work-in-Progress	Amount in Intangible under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,951.70	114.50	-	-	3,066.20
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>2,951.70</b>	<b>114.50</b>	<b>-</b>	<b>-</b>	<b>3,066.20</b>

#### As at 31 March 2021

Capital work-in-Progress	Amount in Intangible under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	153.37	-	-	-	153.37
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>153.37</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>153.37</b>

### Note 6 : Intangible assets

Particulars	Computer Software	Patent & Technical Knowhow	Licenses	Total
<b>Gross Carrying Amount</b>				
<b>As at April 1, 2020</b>	<b>44.20</b>	<b>11.37</b>	<b>3,500.00</b>	<b>3,555.57</b>
Additions	9.70	-	-	9.70
Deductions	-	-	-	-
<b>As at April 1, 2021</b>	<b>53.90</b>	<b>11.37</b>	<b>3,500.00</b>	<b>3,565.27</b>
Additions	-	-	-	-
Deductions	-	-	-	-
<b>As at March 31, 2022</b>	<b>53.90</b>	<b>11.37</b>	<b>3,500.00</b>	<b>3,565.27</b>
<b>Accumulated Depreciation</b>				
<b>As at April 1, 2020</b>	<b>44.11</b>	<b>11.37</b>	<b>787.50</b>	<b>842.98</b>
Amortisation for the year	0.29	-	350.00	350.29
Deductions	-	-	-	-
<b>As at April 1, 2021</b>	<b>44.40</b>	<b>11.37</b>	<b>1,137.50</b>	<b>1,193.27</b>
Amortisation for the year	1.95	-	350.00	351.95
Deductions	-	-	-	-
<b>As at March 31, 2022</b>	<b>46.35</b>	<b>11.37</b>	<b>1,487.50</b>	<b>1,545.22</b>
<b>Net Carrying Amount</b>				
<b>As at March 31, 2022</b>	<b>7.55</b>	<b>-</b>	<b>2,012.50</b>	<b>2,020.05</b>
As at March 31, 2021	9.50	-	2,362.50	2,372.00

## Notes to the Consolidated Financial Statements

(₹ in Lakhs)

**Note 7 : Financial assets****7 (a) Trade receivables - Current**

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good	12,479.55	11,011.57
Unsecured, Considered Doubtful	348.86	162.82
	<b>12,828.41</b>	11,174.39
Less: Allowance for Doubtful Debts	<b>(348.86)</b>	(162.82)
<b>Total Trade receivables</b>	<b>12,479.55</b>	11,011.57

**Notes:**

- No trade receivables are due from directors or other officers of the Company either severally or jointly with any person nor any trade receivables are due from firms or private companies respectively in which any director is a director, a partner or a member.
- Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.

**3. Allowance for doubtful debts**

Allowance for doubtful debts based on the lifetime expected credit loss model using provision matrix. Movement in allowance for doubtful debt are as follows:

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Balance as per last financial statements	162.82	-
Add: Allowance for the year (Refer Note 24)	186.04	162.82
<b>Total Trade receivables</b>	<b>348.86</b>	162.82

**4 Trade receivables ageing Schedule:****As at 31 March 2022**

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled Dues	Not due	Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - Considered Good	-	9,530.13	2,274.31	535.91	123.88	15.32	-	12,479.55
Undisputed Trade receivables - which have significant increase in risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed Trade receivables - Considered Good	-	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in risk	-	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	121.27	117.48	110.11	348.86
<b>Total</b>	<b>-</b>	<b>9,530.13</b>	<b>2,274.31</b>	<b>535.91</b>	<b>245.15</b>	<b>132.80</b>	<b>110.11</b>	<b>12,828.41</b>

## Notes to the Consolidated Financial Statements

(₹ in Lakhs)

As at 31 March 2021

Particulars	Unbilled Dues	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - Considered Good	-	9,554.00	1,193.27	184.50	66.08	13.72	-	11,011.57
Undisputed Trade receivables - which have significant increase in risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed Trade receivables - Considered Good	-	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in risk	-	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	66.08	40.09	56.65	162.82
<b>Total</b>	<b>-</b>	<b>9,554.00</b>	<b>1,193.27</b>	<b>184.50</b>	<b>132.16</b>	<b>53.81</b>	<b>56.65</b>	<b>11,174.39</b>

### 7 (b) Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	0.36	0.28
Balance with Banks		
In Current accounts	7.74	63.59
In Cash credit accounts	93.41	123.08
In Fixed Deposit with original maturity of less than 3 months	848.00	200.00
<b>Total cash and cash equivalents</b>	<b>949.51</b>	<b>386.95</b>

### 7 (c) Other bank balance

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits held as Margin Money*	160.50	153.57
Fixed Deposit with Banks with original maturity of more than 3 months but less than 12 months	4,039.11	1,700.00
Unpaid Dividend account	33.21	23.27
Unpaid Fractional Share account	96.75	96.86
<b>Total other bank balances</b>	<b>4,329.57</b>	<b>1,973.70</b>

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

### 7 (d) Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good unless otherwise stated		
<b>Non-current</b>		
Security deposits	68.68	73.00
<b>Total Non-current Other Financial Asset (A)</b>	<b>68.68</b>	<b>73.00</b>
<b>Current</b>		
Interest receivable	50.60	32.20
<b>Total Current Other Financial Asset (B)</b>	<b>50.60</b>	<b>32.20</b>
<b>Total (A) + (B)</b>	<b>119.28</b>	<b>105.20</b>

## Notes to the Consolidated Financial Statements

(₹ in Lakhs)

**Note 8 : Other Non-Current /Current Assets**

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good unless otherwise stated		
<b>Non-Current</b>		
Capital Advances	982.21	47.40
Pre-paid expense	1.31	-
<b>Other than capital advances</b>		
Advances to suppliers, doubtful	(9.16)	5.71
Less: Allowance for doubtful advances	9.16	(5.71)
	<b>983.52</b>	<b>47.40</b>
<b>Current</b>		
Advance to suppliers-Considered Goods	635.03	116.71
Balance with Government Authorities (Refer Note below (i))	76.44	154.98
Export incentive receivable	119.48	160.58
Pre-paid expense	441.67	585.00
	<b>1,272.62</b>	<b>1,017.27</b>
<b>Total</b>	<b>2,256.14</b>	<b>1,064.67</b>

(i) Balance with Government Authorities mainly consist of input credit availed.

**Provision for Doubtful Advances**

Movement in provision for doubtful advances:

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Balance at the beginning of the year</b>	<b>5.71</b>	<b>-</b>
Add : Provision made during the year (Refer Note 24)	3.45	5.71
<b>Balance at the end of the year</b>	<b>9.16</b>	<b>5.71</b>

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

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials	2,300.17	2,080.43
Stores and spares	202.12	336.04
Work-in-progress	6,504.37	4,261.55
Waste	13.03	-
<b>Total</b>	<b>9,019.69</b>	<b>6,678.02</b>

**Note 10 : Current Tax Assets (Net)**

Particulars	As at March 31, 2022	As at March 31, 2021
Tax Paid in Advance (Net of Provision)	-	520.88
<b>Total</b>	<b>-</b>	<b>520.88</b>



## Notes to the Consolidated Financial Statements

(₹ in Lakhs)

### Note 11 : Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	₹ in Lakh	No. of shares	₹ in Lakh
<b>Authorised share capital</b>				
Equity shares of ₹ 10/- each	6,52,50,000	6,525.00	6,52,50,000	6,525.00
<b>Issued, subscribed and paid-up share capital</b>				
Equity shares of ₹ 10/- each	98,81,150	988.12	98,31,150	983.12
<b>Total</b>	<b>98,81,150</b>	<b>988.12</b>	<b>98,31,150</b>	<b>983.12</b>

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	₹ in Lakh	No. of shares	₹ in Lakh
Outstanding at the beginning of the year	98,31,150	983.12	1,01,99,518	1,019.95
Add: Issued during the year under ESOP	50,000	5.00	19,482	1.95
Less: Shares extinguished on buy-back	-	-	3,87,850	38.78
Changes in Equity Share Capital during the year	50,000	5.00	(3,68,368)	(36.83)
<b>Outstanding at the end of the year</b>	<b>98,81,150</b>	<b>988.12</b>	<b>98,31,150</b>	<b>983.12</b>

### (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, 2022	
	No. of shares	% of shareholding
Aura Securities Private Limited	35,51,617	35.94
Abakkus Emerging Opportunities Fund-1	5,65,000	5.72

Name of the Shareholder	As at March 31, 2021	
	No. of shares	% of shareholding
Aura Securities Private Limited	35,51,617	36.13
Hdfc Trustee Company Ltd - (Holding under various schemes)	7,15,049	7.27
Abakkus Emerging Opportunities Fund-1	5,74,900	5.85

## Notes to the Consolidated Financial Statements

**(iv) Shareholding of Promoters**

Sr. No.	Promoters	As at March 31, 2022		
		No. of shares	% of total shares	% change during the year
1	Aura Securities Private Limited	35,51,617	35.94	0.18
2	Aura Business Ventures LLP	3,33,329	3.37	0.02
3	Jayshreeben Sanjaybhai Lalbhai	5,023	0.05	-
4	Kulin Sanjaybhai	1,960	0.02	-
5	Sanjaybhai Shrenikbhai Lalbhai	1,456	0.01	-
6	Punit Sanjaybhai	137	0.00	-
	<b>Promoter Group</b>			
7	Atul Limited	1,52,869	1.55	0.01
8	Aagam Holdings Private Limited	97,491	0.99	0.01
9	Arvind Farms Pvt Ltd	55,189	0.56	-
10	Samvegbhai Arvindbhai (Karta)	7,476	0.08	-
11	Snehal Mohta	7,000	0.07	-
12	Adore Investments Private Limited	6,775	0.07	-
13	Kalpana Shripal Morakhia	4,928	0.05	-
14	Anusandhan Investments Limited	4,259	0.04	-
15	Amardeep Holdings Private Limited	3,490	0.04	-
16	Aayojan Resources Private Ltd	3,370	0.03	-
17	Saumya Samvegbhai Lalbhai	2,863	0.03	-
18	Swati S Lalbhai	2,795	0.03	-
19	Tara S Lalbhai	2,642	0.03	-
20	Sunil Siddharth Lalbhai	2,581	0.03	-
21	Vimla S Lalbhai	2,577	0.03	-
22	Samvegbhai Arvindbhai Lalbhai	1,344	0.01	-
23	Hansa Niranjambhai	1,010	0.01	-
24	Adhinami Investments Private Limited	685	0.01	-
25	Badlani Manini Rajiv	264	0.00	-
26	Astha Lalbhai	71	0.00	-
27	Akshita Holdings Private Limited	5	0.00	-
28	Aura Business Enterprise Pvt Ltd	3	0.00	-
29	Aura Merchandise Pvt. Ltd.	3	0.00	-
30	Aura Securities Pvt Ltd	3	0.00	-

## Notes to the Consolidated Financial Statements

(₹ in Lakhs)

### (iv) Shareholding of Promoters

Sr. No.	Promoters	As at March 31, 2021		
		No. of shares	% of total shares	% change during the year
1	Aura Securities Private Limited	35,51,617	36.13	1.30
2	Aura Business Ventures LLP	3,33,329	3.39	0.12
3	Jayshreeben Sanjaybhai Lalbhai	5,023	0.05	-
4	Kulin Sanjaybhai	1,960	0.02	-
5	Sanjaybhai Shrenikbhai Lalbhai	1,456	0.01	-
6	Punit Sanjaybhai	137	0.00	-
	<b>Promoter Group</b>			
7	Atul Limited	1,52,869	1.55	0.06
8	Aagam Holdings Private Limited	97,491	0.99	0.04
9	Arvind Farms Pvt Ltd	55,189	0.56	0.02
10	Samvegbhai Arvindbhai (Karta)	7,476	0.08	-
11	Snehal Mohta	7,000	0.07	-
12	Adore Investments Private Limited	6,775	0.07	-
13	Kalpana Shripal Morakhia	4,928	0.05	-
14	Anusandhan Investments Limited	4,259	0.04	-
15	Amardeep Holdings Private Limited	3,490	0.04	-
16	Aayojan Resources Private Ltd	3,370	0.03	-
17	Saumya Samvegbhai Lalbhai	2,863	0.03	-
18	Swati S Lalbhai	2,795	0.03	-
19	Taral S Lalbhai	2,642	0.03	-
20	Sunil Siddharth Lalbhai	2,581	0.03	-
21	Vimla S Lalbhai	2,577	0.03	-
22	Samvegbhai Arvindbhai Lalbhai	1,344	0.01	-
23	Hansa Niranjnabhai	1,010	0.01	-
24	Adhinami Investments Private Limited	685	0.01	-
25	Badlani Manini Rajiv	264	0.00	-
26	Astha Lalbhai	71	0.00	-
27	Akshita Holdings Private Limited	5	0.00	-
28	Aura Business Enterprise Pvt Ltd	3	0.00	-
29	Aura Merchandise Pvt. Ltd.	3	0.00	-
30	Aura Securities Pvt Ltd	3	0.00	-

\* There is no change in Shareholding pattern as compared to previous year.

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

Refer Note 33 for details of shares to be issued under employee stock option Scheme (ANUPESOS 2019).

### (vi) In the period of five years immediately preceding June 30, 2021:

- The Company has allotted 1,01,93,962 shares of ₹ 10/- each as fully paid without payment being received in cash pursuant to the Scheme of Arrangement sanctioned by National Company Law Tribunal vide its order dated October 26, 2018 between Arvind Limited, Arvind Fashion Limited, the Company and The Anup Engineering Limited in the year 2018-2019.
- The Company has not allotted any equity shares by way of bonus issue.
- Equity shares extinguished on buy-back

The Company has bought back 3,87,850 equity shares at an average price of ₹ 642.50 per equity share for an aggregate consideration of ₹ 2492.11 Lakhs excluding Transaction Costs. The buy-back commenced on February 24, 2021 and closed on March 15, 2021. All the shares bought back have been extinguished as per the records of the depositories.

### (vii) Objective, policy and procedure of capital management, refer Note 39.

## Notes to the Consolidated Financial Statements

**Note 12 : Other Equity****(₹ in Lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(a) Capital reserve</b>		
Balance as per last financial statements	5.00	5.00
Balance at the end of the year	5.00	5.00
<b>(b) Capital redemption reserve</b>		
Balance as per last financial statements	38.78	-
Add: Created on account of buy-back of shares	-	38.78
Balance at the end of the year	38.78	38.78
<b>(c) Securities premium account</b>		
Balance as per last financial statements	17,891.22	21,147.27
Add: Received during the year	70.72	45.58
Add: Transfer from Share based payment reserve	32.38	2.76
Less: Utilized during the year (Refer Note 41)	-	(191.93)
Less: Buy-back of Equity Shares (Refer Note 11)	-	(2,453.33)
Less: Tax on buy-back of Equity Shares (Refer Note 11)	-	(576.76)
Less: Expenses for buy-back of Equity Shares (Refer Note 11)	-	(43.59)
Less: Transfer to Capital Redemption Reserve	-	(38.78)
Balance at the end of the year	17,994.32	17,891.22
<b>(d) Share based payment reserve (Refer Note 33)</b>		
Balance as per last financial statements	97.45	55.66
Add: Addition during the year (Refer Note 21)	38.92	44.55
Less: Transfer to Securities premium account	(32.38)	(2.76)
Balance at the end of the year	103.99	97.45
<b>(e) Retained earnings</b>		
Balance as per last financial statements	14,699.34	10,063.58
Add: Profit for the year	6,205.44	5,352.32
Less: Dividend paid during the year	(689.58)	(714.57)
Add: Other comprehensive loss for the year	(4.32)	(1.98)
Balance at the end of the year	20,210.88	14,699.34
<b>Total Other Equity</b>	<b>38,352.97</b>	<b>32,731.79</b>

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. Capital Redemption Reserve**

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

**c. 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.

**d. 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, 2022	As at March 31, 2021
<b>Current</b>		
Acceptances	-	-
Other trade payables (Refer note below)		
-Total outstanding dues of micro enterprises and small enterprises	30.85	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	4,298.66	2,694.66
<b>Total</b>	<b>4,329.51</b>	<b>2,694.66</b>

#### Note

Particulars	As at March 31, 2022	As at March 31, 2021
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year:		
i) Principal	30.85	-
ii) Interest	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of 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, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

#### (b) Trade payable ageing Schedule: As at 31 March 2022

Particulars	Outstanding for following periods from due date of Payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	30.85	-	-	-	-	30.85
Others	1,449.19	2,797.94	31.30	0.83	19.40	4,298.66
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Unbilled dues	-	-	-	-	-	-
<b>Total</b>	<b>1,480.04</b>	<b>2,797.94</b>	<b>31.30</b>	<b>0.83</b>	<b>19.40</b>	<b>4,329.51</b>

#### As at 31 March 2021

Particulars	Outstanding for following periods from due date of Payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	1,242.77	1,298.64	12.37	140.88	-	2,694.66
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Unbilled dues	-	-	-	-	-	-
<b>Total</b>	<b>1,242.77</b>	<b>1,298.64</b>	<b>12.37</b>	<b>140.88</b>	<b>-</b>	<b>2,694.66</b>

## Notes to the Consolidated Financial Statements

(₹ in Lakhs)

**13 (b) Other financial liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Current</b>		
Payable to employees	131.47	128.27
Deposits from vendors, customers	3.40	1.00
Unpaid Dividend	33.21	23.27
Unpaid Fractional Share amount	96.75	96.86
<b>Total</b>	<b>264.83</b>	<b>249.40</b>

**Note:** As on March 31, 2022, there is no amount due and outstanding to be transferred to the Investor Education & Protection Fund (IEPF) (Previous year March 31, 2021; ₹ Nil).

**Note 14 : Provisions**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Long-term</b>		
<b>Provision for employee benefits (Refer note 30)</b>		
Provision for Gratuity	33.43	8.53
	<b>33.43</b>	<b>8.53</b>
<b>Short-term</b>		
<b>Provision for employee benefits (Refer note 30)</b>		
Provision for leave encashment	13.11	17.16
Provision for Gratuity	50.54	45.08
	<b>63.65</b>	<b>62.24</b>
<b>Total</b>	<b>97.08</b>	<b>70.77</b>

**Note 15 : Other current liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from customers	6,236.99	4,839.50
Payable to employees	0.27	-
Statutory dues (provident fund and tax deducted at source etc.)	59.29	255.59
<b>Total</b>	<b>6,296.55</b>	<b>5,095.09</b>

**Note 16 : Current Tax Liabilities (Net)**

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax liabilities (Net of advance)	1,037.24	-
<b>Total</b>	<b>1,037.24</b>	<b>-</b>

## Notes to the Consolidated Financial Statements

(₹ in Lakhs)

### Note 17 : Revenue from operations

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Sale of products	27,606.85	27,016.38
Sale of services	380.64	276.65
<b>Other Operating income</b>		
Waste sale	689.69	330.53
Export incentives	68.38	187.88
Foreign exchange fluctuation on vendors and customers	77.38	100.20
Others	1.22	1.32
<b>Total</b>	<b>28,824.16</b>	<b>27,912.96</b>

### Disaggregation of Revenue from contracts with customers

#### Revenue based on Geography

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Domestic	26,072.68	19,292.42
Export	2,751.48	8,620.54
<b>Revenue from Operations</b>	<b>28,824.16</b>	<b>27,912.96</b>

#### Revenue based on business segment

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Engineering Products	28,824.16	27,912.96
<b>Revenue from Operations</b>	<b>28,824.16</b>	<b>27,912.96</b>

### Reconciliation of revenue from operation with contract price

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue from contract with customers as per the contract price	28,913.06	27,912.96
<b>Adjustment made to contract price on account of:</b>		
a) Sales Return	88.90	-
<b>Revenue from Operations</b>	<b>28,824.16</b>	<b>27,912.96</b>



## Notes to the Consolidated Financial Statements

(₹ in Lakhs)

**Note 18 : Other income**

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest income on financial assets measured at amortised cost		
- Fixed Deposits	164.02	197.13
- Loans and Advances	2.52	3.53
- Others	193.38	-
Gain on Investment in Mutual Funds measured at fair value through profit & loss	-	71.08
Sundry Credit balances appropriated	7.15	79.12
Profit on sale of Property, Plant & Equipment	1.87	-
Lease income	-	-
Insurance claim	1.59	-
Miscellaneous income	6.24	4.57
<b>Total</b>	<b>376.77</b>	<b>355.43</b>

**Note 19 : Cost of raw materials consumed**

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Inventory at the beginning of the year	2,080.43	4,846.21
Add : Purchases during the year	16,492.25	11,273.74
	<b>18,572.68</b>	<b>16,119.95</b>
Less : Inventory at the end of the year	2,300.17	2,080.43
<b>Total</b>	<b>16,272.51</b>	<b>14,039.52</b>

**Note 20 : Changes in inventories of finished goods and work-in-progress**

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Inventories at the end of the year</b>		
Waste	13.03	-
Work-in-Progress	6,504.37	4,261.55
	<b>6,517.40</b>	<b>4,261.55</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	-	1.39
Work-in-Progress	4,261.55	5,026.81
	<b>4,261.55</b>	<b>5,028.20</b>
<b>(Increase) / Decrease in Inventories</b>	<b>(2,255.85)</b>	<b>766.65</b>
<b>Total</b>	<b>(2,255.85)</b>	<b>766.65</b>

## Notes to the Consolidated Financial Statements

(₹ in Lakhs)

### Note 21 : Employee benefits expense

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Salaries, Wages, Gratuity, Bonus and Commission (Refer Note 30)	1,811.82	1,555.46
Contribution to provident and other funds (Refer Note 30)	96.50	61.90
Staff welfare and training expenses	88.24	76.46
Share based payment to employees (Refer Note 33)	38.92	44.55
<b>Total</b>	<b>2,035.48</b>	<b>1,738.37</b>

### Note 22 : Finance costs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest expense on Financial Liabilities measured at amortised cost		
- Others	24.85	12.42
Other borrowing cost	78.30	22.02
<b>Total</b>	<b>103.15</b>	<b>34.44</b>

### Note 23 : Depreciation and amortization expense

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Depreciation on Property, Plant and Equipments (Refer Note 5)	807.27	700.30
Amortization of Intangible assets (Refer Note 6)	351.95	350.29
<b>Total</b>	<b>1,159.22</b>	<b>1,050.59</b>

**Notes to the Consolidated Financial Statements****Note 24 : Other expenses****(₹ in Lakhs)**

<b>Particulars</b>	<b>Year Ended March 31, 2022</b>	Year Ended March 31, 2021
Power and fuel	<b>272.75</b>	159.16
Stores and spares consumed	<b>743.37</b>	824.51
Job Work Charges	<b>2,695.21</b>	1,851.84
Lease rent for Low-value assets (Refer Note 34)	<b>63.63</b>	14.09
Royalty	<b>298.22</b>	55.14
Insurance	<b>72.28</b>	83.52
Printing, stationery and communication	<b>32.36</b>	40.06
Commission, Brokerage and Discount	<b>21.28</b>	3.24
Rates and taxes	<b>8.91</b>	7.40
Repairs:		
To Building	<b>14.88</b>	11.55
To Machineries	<b>232.63</b>	222.27
To Others	<b>4.25</b>	1.10
Freight, insurance and clearing charge	<b>356.34</b>	356.04
Inspection Fees	<b>150.99</b>	60.98
Retainership Fees	<b>67.02</b>	71.42
Advertisement and publicity	<b>16.63</b>	12.59
Legal and Professional charges	<b>61.84</b>	53.47
Expenditure under CSR Activity (Refer Note 35)	<b>127.50</b>	82.00
Conveyance and Travelling expenses	<b>19.56</b>	10.24
Director's sitting fees	<b>4.80</b>	4.80
Director's commission	<b>27.00</b>	54.00
Loss on sale of Property, Plant & Equipment	-	6.37
Sundry Debit balances appropriated	-	-
Allowance for doubtful debts (Refer Note 7(a))	<b>186.04</b>	162.82
Allowance for doubtful Advances (Refer Note 8)	<b>3.45</b>	5.71
Bad Debts written off	-	3.39
Property, Plant & Equipment written off	-	35.50
Auditor's remuneration (refer note (i) below)	<b>21.59</b>	14.85
Bank charges	<b>88.06</b>	120.74
Miscellaneous expenses	<b>183.61</b>	163.52
<b>Total</b>	<b>5,774.20</b>	4,492.32

**(i) Break up of Auditor's remuneration**

<b>Particulars</b>	<b>Year Ended March 31, 2022</b>	Year Ended March 31, 2021
<b>Payment to Auditors as</b>		
Auditors	<b>8.29</b>	7.82
For tax audit	<b>1.55</b>	1.46
For Other Services	<b>10.64</b>	4.52
For reimbursement of expenses	<b>1.11</b>	1.05
<b>Total</b>	<b>21.59</b>	14.85

## Note 25 : Income tax

The major component of income tax expense for the years ended March 31, 2022 and March 31, 2021 are as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Statement of Profit and Loss</b>		
Current income tax	1,545.00	1,515.00
Excess Provision for earlier year (Refer Note below)	(1,557.37)	(691.60)
Deferred tax expense/(credit)	(80.85)	(29.22)
<b>Income tax expense in the Statement of Profit and Loss</b>	<b>(93.22)</b>	<b>794.18</b>
<b>Statement of Other comprehensive income (OCI)</b>		
Deferred tax expense/(credit)	(1.45)	(0.67)
<b>Income tax expense/(credit) recognised in OCI</b>	<b>(1.45)</b>	<b>(0.67)</b>

Note : The Holding Company has decided to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 for the year 2019-2020 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 which was subsequently converted into an Act, at the time of filing return of income. Accordingly, the Company has recognised provision for income taxes based on the rate prescribed in the aforesaid section. Further, management reviewed current tax and the components of deferred tax assets/ liabilities leading to a reassessment of its estimates compared to earlier periods. Such re-measurement and change in rate of tax resulted in one-time tax credit of ₹ 443.03 Lakhs which is shown under (Excess)/Short Provision for the year ended March 31, 2021.

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2022 and March 31, 2021.

### A. Current tax

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Accounting profit before tax</b>	<b>6,112.22</b>	6,146.50
Tax Rate	25.17%	25.17%
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	1,538.45	1,547.07
<b>Adjustment</b>		
On account of revaluation of tax base of non-depreciable assets (due to indexation benefit)	(41.88)	(31.41)
Expenditure not deductible for tax/not liable to tax	-	29.50
(Excess)/Short Provision for earlier year	(1,557.37)	(691.60)
Other Adjustment	(32.42)	(59.38)
<b>Total income tax expense</b>	<b>(93.22)</b>	<b>794.18</b>
Effective tax rate	-1.53%	12.92%

## Notes to the Consolidated Financial Statements

(₹ in Lakhs)

**B. Deferred tax**

The Group 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 are as follows:

Particulars	Balance Sheet as at		Statement of Profit and Loss and OCI for the year ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Accelerated depreciation for tax purposes	(992.98)	(980.52)	12.46	64.65
Impact of fair valuation of Land	(315.87)	(357.75)	(41.88)	(31.41)
Expenditure allowable on payment basis	24.43	17.81	(6.63)	4.32
Expenditure allowable over the period (Section 35D)	3.08	6.16	3.08	(0.45)
Others	116.28	66.94	(49.33)	(67.00)
<b>Deferred tax expense/(income)</b>			<b>(82.30)</b>	<b>(29.89)</b>
<b>Net deferred tax liabilities</b>	<b>(1,165.06)</b>	<b>(1,247.36)</b>		
<b>Reflected in the balance sheet as follows</b>				
Deferred tax liabilities	(1,308.85)	(1,338.27)		
Deferred tax assets	143.79	90.91		
<b>Deferred tax liabilities (net)</b>	<b>(1,165.06)</b>	<b>(1,247.36)</b>		

The Group 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, 2022	As at March 31, 2021
<b>Contingent liabilities not provided for</b>		
(i) Guarantees given by banks on behalf of the Company	<b>17,415.71</b>	15,906.70
(ii) Disputed Demands in respect of: Income tax (Refer notes below)	<b>53.90</b>	62.10

**Notes :**

- It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
- The Company does not expect any reimbursements in respect of the above contingent liabilities.
- The Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

**Note 27 : Capital commitment and other commitments**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(a) Capital commitments</b>	<b>2,522.86</b>	398.84
<b>(b) Other commitments</b>	-	-

## Notes to the Consolidated Financial Statements

### Note 28 : 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.

#### Exposure Not Hedged

Nature of exposure	Currency	As at March 31, 2022		As at March 31, 2021	
		FC	₹ in Lakhs	FC	₹ in Lakhs
Receivables	USD	9,66,033	732.18	29,58,275	2,162.79
Payable to creditors	USD	6,09,168	461.70	73,500	53.74
	EURO	20,190	17.00	-	-

### 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 Group.

#### Operating Segments:

The Group’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/As at March 31, 2022	Year Ended/As at March 31, 2021
<b>Segment Revenue*</b>		
(a) In India	26,072.68	19,292.42
(b) Rest of the world	2,751.48	8,620.54
<b>Total</b>	<b>28,824.16</b>	<b>27,912.96</b>
<b>Carrying Cost of Segment Non Current Assets@</b>		
(a) In India	24,360.84	21,378.30
(b) Rest of the world	-	-
<b>Total</b>	<b>24,360.84</b>	<b>21,378.30</b>

\* Based on location of Customers

@ Other than financial assets.

#### Information about major customers:

Considering the nature of business of company in which it operates, the Group deals with various customers including multiple geographics. There are three (3) customers together contributing ₹ 17,664.70 Lakhs (March 31, 2021 : 3 customers, ₹ 14,583.61 Lakhs) of the total revenue of the Company from domestic and export sales.

## Notes to the Consolidated Financial Statements

### Note 30 : Disclosure pursuant to Employee benefits

#### A. Defined contribution plans:

Amount of ₹ 67.96 Lakhs (March 31, 2021: ₹ 60.31 lakhs) is recognised as expenses and included in Note No. 21 "Employee benefit expense".

(₹ in Lakhs)

Particulars	Year Ended	Year Ended
	March 31, 2022	March 31, 2021
Contribution to Provident Fund and Pension [Note (a)]	67.96	60.31
<b>Total</b>	<b>67.96</b>	<b>60.31</b>

**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 further obligation 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.



## Notes to the Consolidated Financial Statements

(₹ in Lakhs)

Changes in defined benefit obligation and plan assets as at March 31, 2022:

Particulars	As at April 1, 2021		Charged to statement of profit and loss		Benefit paid	Remeasurement gains/(losses) in other comprehensive income		As at March 31, 2022
	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 demographic assumptions	Actuarial changes arising from changes in experience financial adjustments	
<b>Gratuity</b>								
Defined benefit obligation	130.35	20.96	8.85	29.81	(20.04)	4.63	(10.17)	145.68
Fair value of plan assets	(76.74)	-	(5.22)	(5.22)	20.04	-	(0.21)	(61.71)
<b>Net Benefit liability/(asset)</b>	<b>53.61</b>	<b>20.96</b>	<b>3.63</b>	<b>24.59</b>	<b>-</b>	<b>4.63</b>	<b>(10.38)</b>	<b>83.97</b>

Changes in defined benefit obligation and plan assets as at March 31, 2021

Particulars	As at April 1, 2020		Charged to statement of profit and loss		Benefit paid	Remeasurement gains/(losses) in other comprehensive income		As at March 31, 2021
	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 demographic assumptions	Actuarial changes arising from changes in experience financial adjustments	
<b>Gratuity</b>								
Defined benefit obligation	102.30	18.41	7.03	25.44	-	(0.91)	(1.70)	130.35
Fair value of plan assets	(71.85)	-	(4.93)	(4.93)	-	-	(0.04)	(76.74)
<b>Net Benefit liability/(asset)</b>	<b>30.45</b>	<b>18.41</b>	<b>2.10</b>	<b>20.51</b>	<b>-</b>	<b>(0.91)</b>	<b>(1.74)</b>	<b>53.61</b>

The major categories of plan assets of the total plan assets of Gratuity are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Insurance fund	100.00%	100.00%
<b>(%) of total plan assets</b>	<b>100.00%</b>	<b>100.00%</b>

## Notes to the Consolidated Financial Statements

The principal assumptions used in determining above defined benefit obligations plans are shown below:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	7.23%	6.80%
Future salary increase	8.00%	8.00%
Expected rate of return on plan assets	7.23%	6.80%
Attrition rate	5.00%	5.00%
Mortality rate during employment	<b>Indian Assured lives Mortality (2012-14) Urban</b>	Indian Assured lives Mortality (2006-08) Ultimate
Mortality rate after employment	<b>NA</b>	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, 2022	Year ended March 31, 2021
<b>Gratuity</b>			
Discount rate	1% increase	(12.65)	(12.15)
	1% decrease	14.76	14.27
Salary increase	1% increase	12.96	13.22
	1% decrease	(12.06)	(11.47)
Attrition rate	1% increase	(1.03)	(1.50)
	1% decrease	1.13	1.67

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, 2022	As at March 31, 2021
<b>Gratuity</b>		
Within the next 12 months	13.48	9.83
Between 2 to 5 years	29.89	26.31
Beyond 5 years	295.67	266.39
<b>Total expected payments</b>	<b>339.04</b>	<b>302.53</b>

## Notes to the Consolidated Financial Statements

(₹ in Lakhs)

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

Particulars	As at March 31, 2022 In Years	As at March 31, 2021 In Years
Gratuity	12	12

Prescribed contribution for next year - ₹ 50.55 Lakhs (Previous year ₹ 45.08 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 ₹ 14.49 Lakhs (March 31, 2021: ₹ 17.41 Lakhs) as expenses and included in Note No. 21 "Employee benefit expense".

### Note 31 : Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures

#### (a) Name of Related Parties and Nature of Relationship :

##### (I) Key Management Personnel

1	Mr. Sanjay S. Lalbhai	Chairman and Non-Executive Director
2	Mr. Punit S. Lalbhai	Non-Executive Director
3	Mr. Samveg A. Lalbhai	Non-Executive Director
4	Mr. Arpit K. Patel	Independent Director
5	Smt. Reena Bhagwati	Independent Director
6	Mr. Ganpatraj L. Chowdhary	Independent Director
7	Mr. Rishi Roop Kapoor	Chief Executive Officer
8	Mr. Bhavesh Shah	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
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## Notes to the Consolidated Financial Statements

**(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 ended		Year ended		Year ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>(I) Transactions during the year</b>						
Remuneration	481.98	400.91	-	-	-	-
Sitting Fees paid	4.80	4.80	-	-	-	-
Commission	27.00	54.00	-	-	-	-
Goods purchased	-	-	64.77	1.01	-	-
Goods sold	-	-	11.33	-	-	-
Services rendered	-	-	102.48	46.87	-	-
Reimbursement of expenses	-	-	-	-	5.68	4.14
Interest Income	-	-	-	-	-	-
Loan given	-	-	-	-	-	-
Lease Income	-	-	-	-	-	-
Investment made	-	-	-	-	-	-
<b>(II) Balances at year end</b>						
Trade and Other Payable	25.65	-	2.22	109.22	-	-
Trade Receivable	-	-	-	-	-	-
Other Current Liability	-	-	0.16	-	-	-
Other Current Asset	-	-	-	-	31.92	26.24

**(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.

**(d) Commitments with related parties**

The Group has not provided any commitment to the related party as at March 31, 2022 (March 31, 2021: ₹ Nil)

**(f) Transactions with key management personnel**

Compensation of key management personnel of the Group

Particulars	Year Ended	Year Ended
	March 31, 2022	March 31, 2021
Short-term employee benefits	463.09	384.91
Termination benefits	18.89	16.00
Commission to directors	27.00	54.00
Total compensation paid to key management personnel	508.98	454.91

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

## Notes to the Consolidated Financial Statements

(₹ in Lakhs)

### Note 32 : Earning per share

Particulars		Year Ended	Year Ended
		March 31, 2022	March 31, 2021
<b>Earning per share</b>			
Profit attributable to ordinary equity holders	₹ in Lakhs	<b>6,205.44</b>	5,352.32
Weighted average number of equity shares for basic EPS (a)	No.	<b>98,76,405</b>	1,01,93,100
Effect of potential Ordinary shares on Employee Stock Options outstanding (b)	No.	<b>60,953</b>	78,518
<b>Weighted average number of Ordinary shares in computing diluted earnings per share (a) + (b)</b>			
Nominal value of equity shares	No.	<b>99,37,358</b>	1,02,71,618
Basic earning per share	₹	<b>10/-</b>	10/-
Diluted earning per share	₹	<b>62.83</b>	52.51
	₹	<b>62.45</b>	52.11

### Note 33 : Share based payments

- A.** The Group 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 Group 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 Group has issued 87,500, 58,371 and 57,500 options respectively convertible into equal number of Equity Shares of face value of ₹ 10/- each. The following table sets forth the particulars of the options issued and vested during the Financial Year 2021-22 under ESOP 2018, ESOS DEMERGER 2018 and Anup – ESOS 2019:

Scheme	Anup – ESOS 2019
Date of grant	26-Oct-21
Expiry Date	5 years from the date of vesting.
Number of options granted	20000
Exercise price per option	929.95
Vesting schedule	Step Vesting over 3 years
Vesting requirements	Based on passage of time, continued employment and achievement of vesting conditions.
Exercise period	5 years from the date of vesting.
Method of settlement	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 :

Particulars	Year Ended March 31, 2022					
	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	37,500	373.52	87,500	151.43	33,333	385.29
Vested but not exercised at the beginning of the year	-	-	-	-	-	-
Granted during the year	20,000	929.95	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	-	-	50,000	151.43	-	-
Expired during the year	-	-	-	-	-	-
Outstanding at the end of the year	57,500	567.06	37,500	151.43	33,333	385.29
Exercisable at the end of the year	-	-	37,500	151.43	33,333	385.29

## Notes to the Consolidated Financial Statements

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021					
	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	37,500	373.52	87,500	151.43	52,815	333.18
Vested but not exercised at the beginning of the year	-	-	-	-	-	-
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	-	-	-	-	19,482	244.02
Expired during the year	-	-	-	-	-	-
Outstanding at the end of the year	37,500	373.52	87,500	151.43	33,333	385.29
Exercisable at the end of the year	-	-	87,500	151.43	33,333	385.29

**C. Share Options Exercised during the year**

Option Series	No. of Options	Exercise Date	Weighted Average Share Price at Exercise Date
ESOS 2018	20,000	20-May-21	151.43
ESOS 2018	30,000	09-Sep-21	151.43

**Share Options Exercised during the year 2020-2021**

Option Series	No. of Options	Exercise Date	Weighted Average Share Price at Exercise Date
ESOS DEMERGER 2018	8,741	14-Sep-20	244.02
ESOS DEMERGER 2018	10,741	12-Oct-20	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 – ₹ 10.00 to ₹ 929.95 Weighted average remaining contractual life – 6.76 years	Exercise price range – ₹ 151.43 Weighted average remaining contractual life – 4.00 years	Exercise price range – ₹ 385.29 Weighted average remaining contractual life – 0.39 years

**E. Significant Assumptions of Valuation on New Grant**

Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted average information, namely

(i) Risk-free interest rate,	5.08%
(ii) Expected life,	2.93 Years
(iii) Expected volatility,	50.54%
(iv) Expected dividends,	0.73%
(v) Fair Value of the underlying share at the time of grant of the option.	954.4

## Notes to the Consolidated Financial Statements

(₹ in Lakhs)

### 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:

Particulars	Year Ended	Year Ended
	March 31, 2022	March 31, 2021
Share Based Payment to Employees	38.92	44.55

### Note 34 : Leases

The Group incurred ₹ 63.63 Lakhs (Previous year ₹ 14.09 Lakhs) towards expenses relating to leases of short-term leases and low-value assets.

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

Particulars	As at	As at
	March 31, 2022	March 31, 2021
a) Gross amount required to be spent by the Company during the year	123.42	81.19
b) Amount spend during the year (in cash)		
i) Construction/acquisition of any asset	-	-
ii) Contribution to various Trusts/NGOs/Societies/Agencies and utilization thereon	127.50	82.00
iii) Expenditure on Administrative Overheads for CSR	-	-
c) Amount unspent during the year	-	-
d) Total of previous years shortfall	-	-
e) Reasons for shortfall	-	-
f) Details of related party transactions		
Name		--
Relationship	-	-
Amount	-	-
g) Movement of CSR Provision		
Balance as per last financial statements	-	-
Add: Provision made during the year	-	-
(Less): Utilised during the year	-	-
Balance at the end of the year	-	-

### Note 36: Financial Instruments by category

#### (i) Financial assets by category

Particulars	As at March 31, 2022				As at March 31, 2021			
	Cost	Fair value through Profit and Loss (FVTPL)	Amor-tised cost	Total	Cost	Fair value through Profit and Loss (FVTPL)	Amor-tised cost	Total
Trade receivables	-	-	12,479.55	12,479.55	-	-	11,011.57	11,011.57
Cash and cash equivalents	-	-	949.51	949.51	-	-	386.95	386.95
Other bank balances	-	-	4,329.57	4,329.57	-	-	1,973.70	1,973.70
Other financial assets	-	-	119.58	119.58	-	-	105.50	105.50
<b>Total Financial assets</b>	-	-	<b>17,878.21</b>	<b>17,878.21</b>	-	-	<b>13,477.72</b>	<b>13,477.72</b>



## Notes to the Consolidated Financial Statements

(₹ in Lakhs)

**(ii) Financial liabilities by category**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Amortised cost	Total	Amortised cost	Total
Trade payable	4,329.51	4,329.51	2,694.66	2,694.66
Other Financial Liabilities	264.83	264.83	249.40	249.40
<b>Total Financial liabilities</b>	<b>4,594.34</b>	<b>4,594.34</b>	<b>2,944.06</b>	<b>2,944.06</b>

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

**Note 37 : 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.

**Note 38: 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.

As on March 31, 2022, the Group does not have any borrowings.

**(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.

## Notes to the Consolidated Financial Statements

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.

Particulars	Change in Currency rate	Effect on profit before tax	
		in USD rate	in EURO rate
March 31, 2022	+2%	5.41	(0.34)
	-2%	(5.41)	0.34
March 31, 2021	+2%	42.18	-
	-2%	(42.18)	-

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 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. However, 3 customers contribute to more than 10% of outstanding accounts receivable as of March 31, 2022 (2 customers contribute to more than 10% of outstanding accounts receivable as of March 31, 2021).

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. Hedge effectiveness is assessed on a regular basis. Details of the hedge & unhedged position of the Group given in Note 28.

## Notes to the Consolidated Financial Statements

### (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
<b>March 31, 2022</b>				
Trade payables	4,329.51	-	-	4,329.51
Other financial liabilities	264.83	-	-	264.83
	<b>4,594.34</b>	<b>-</b>	<b>-</b>	<b>4,594.34</b>
<b>March 31, 2021</b>				
Trade payables	2,694.66	-	-	2,694.66
Other financial liabilities	249.40	-	-	249.40
	<b>2,944.06</b>	<b>-</b>	<b>-</b>	<b>2,944.06</b>

### Note 39 : 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, 2022	As at March 31, 2021
(a) Interest bearing loans and borrowings	-	-
(b) Less: cash and bank balance (including other bank balance) (7b & 7c)	5,279.08	2,360.65
<b>(c) Net debt (a) - (b)</b>	<b>(5,279.08)</b>	<b>(2,360.65)</b>
(d) Equity share capital (Note 11)	988.12	983.12
(e) Other equity (Note 12)	38,352.97	32,731.79
<b>(f) Total capital (d) + (e)</b>	<b>39,341.09</b>	<b>33,714.91</b>
<b>(g) Total capital and net debt (c) + (f)</b>	<b>34,062.01</b>	<b>31,354.26</b>
<b>(h) Gearing ratio (c)/(g)</b>	<b>-15.50%</b>	<b>-7.53%</b>

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.

## Notes to the Consolidated Financial Statements

### **Note 40 : Impact of Covid-19**

The Group has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases and impact on effectiveness of its hedges. The Group has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

### **Note 41 : Business Combination**

During the year ended March 31, 2021 expenses of ₹ 191.93 Lakhs in connection with the Composite Scheme of Arrangement (the Scheme) sanctioned by National Group Law Tribunal vide its order dated October 26, 2018 between Arvind Limited ("AL"), Arvind Fashions Limited ("AFL"), Anveshan Heavy Engineering Limited ("the Group") and The Anup Engineering Limited ("Anup"), has been adjusted against Securities Premium as mentioned in the Scheme.

### **Note 42 : Code on Social Security, 2020**

The Parliament of India has approved the Code on Social Security, 2020 (the Code) which may impact the contributions by the Group towards provident fund, gratuity and ESIC. The Code has been published in the Gazette of India. However, the effective date has not yet been notified. The Group will assess the impact of the Code when it comes into effect and will record related impact, if any, in the period the Code becomes effective.

### **Note 43 : Standards issued but not yet effective**

"Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

#### **Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 116 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The

## Notes to the Consolidated Financial Statements

Group does not expect the amendment to have any significant impact in its financial statements.

### **Note 44 : Other Notes**

- a. During the year ended March 31, 2022 and March 31, 2021, the Group has not advanced or loaned or invested funds (either borrowed funds or share premium or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
- i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries. Further, during the year ended March 31, 2022 and March 31, 2021, the Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall: i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or ii) provide any guarantee, security, or the like on behalf of the ultimate beneficiaries.
- b. The Group has not invested or traded in Crypto Currency or Virtual Currency during the year ended March 31, 2022 (Previous year: Nil).
- c. No proceedings have been initiated on or are pending against the Group for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder during the year ended March 31, 2022 (Previous year: Nil).
- d. The Group has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority during the year ended March 31, 2022 (Previous year: Nil).
- e. The Group has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961) during the year ended March 31, 2022 (Previous year: Nil).
- f. The Group does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year ended March 31, 2022 (Previous year: Nil).

## Notes to the Consolidated Financial Statements

### Note 45 : Ratio Analysis

Particulars	UOM	For the year ended March 31, 2022	For the year ended March 31, 2021	% Variance	Reason for Variance
<b>i) Current Ratio :</b>					
Current Assets (a)	(₹ in Lakhs)	28,101.54	21,620.59		
Current Liabilities (b)	(₹ in Lakhs)	11,991.78	8,101.39		
Current Ratio (a/b)	Times	2.34	2.67	-12%	NA
Numerator - Total Current Assets					
Denominator - Total Current Liabilities					
<b>ii) Debt-Equity Ratio:</b>					
Debt (a)	(₹ in Lakhs)	-	-	-	
Equity (b)	(₹ in Lakhs)	39,341.09	33,714.91		
Debt - Equity Ratio (a/b)	%	-	-	-	NA
Numerator - Total debt					
Denominator - Total equity (Including perpetual Securities)					
<b>iii) Debt Service coverage Ratio :</b>					
Earnings available for Debt services (a)	(₹ in Lakhs)	7,467.81	6,437.35		
Interest + Installments (b)	(₹ in Lakhs)	24.85	12.42		
Debt Service coverage Ratio (a/b)	%	300.52	518.31	-42%	Increase due to improvement in EBITA
Numerator - Profit after taxes and before Depreciation and Amortisation Expenses and Finance Costs and other adjustments like loss/profit on sale of Fixed assets etc.					
Denominator - Interest (excluding interest on lease liabilities) + Lease repayments + Principal Repayment of debt					
<b>iv) Return on Equity Ratio :</b>					
Profit after Taxes	(₹ in Lakhs)	6,205.44	5,352.32		
Equity (b)	(₹ in Lakhs)	39,341.09	33,714.91		
Return on Equity Ratio (a/b)	%	16%	16%	-1%	NA
Numerator - Profit/(Loss) after Taxes - Distribution on Perpetual Securities					
Denominator - Average Shareholders' Equity					
<b>v) Inventory Turnover Ratio :</b>					
Cost of Goods Sold/Sale of goods (a)	(₹ in Lakhs)	28,824.16	27,912.96	3%	
Average Inventory (b)	(₹ in Lakhs)	7,848.86	8,648.10	-9%	
Inventory Turnover Ratio (a/b)	Times	3.67	3.23	14%	NA
Numerator - Cost of Goods Sold/Sale of goods					
Denominator - (Opening Inventory+ Closing Inventory)/2					

## Notes to the Consolidated Financial Statements

**Note 45 : Ratio Analysis**

Particulars	UOM	For the year ended March 31, 2022	For the year ended March 31, 2021	% Variance	Reason for Variance
<b>vi) Trade Receivables turnover Ratio :</b>					
Annual net Credit Sales (a)	(₹ in Lakhs)	28,824.16	27,912.96		
Average Accounts Receivable (b)	(₹ in Lakhs)	11,745.56	8,725.04		
Trade Receivables turnover Ratio (a/b)	Times	2.45	3.20	-23%	NA
Numerator - Net Credit Sales					
Denominator - (Opening trade receivable+ Closing trade receivable)/2 (including unbilled revenue)					
<b>vii) Trade Payables turnover Ratio :</b>					
Costs (a)	(₹ in Lakhs)	16,492.25	11,273.74		
Average Accounts Payable (b)	(₹ in Lakhs)	3,512.09	2,506.97		
Trade Payables turnover Ratio (a/b)	Times	4.70	4.50	4%	NA
Numerator - Net Credit Purchases					
Denominator - (Opening trade payables+ Closing trade payables)/2					
<b>viii) Net Capital turnover Ratio :</b>					
Net Sales (a)	(₹ in Lakhs)	28,824.16	27,912.96	3%	
Working Capital (b)	(₹ in Lakhs)	16,109.76	13,519.20	19%	
Net Capital turnover Ratio (a/b)	%	1.79	2.06	-13%	NA
Numerator - Sale of goods (Net)					
Denominator - Working Capital (Current Assets-Current Liabilities) (As per i)					
<b>ix) Net Profit Ratio :</b>					
Profit/(Loss) after Tax (a)	(₹ in Lakhs)	6,205.44	5,352.32		
Net Sales (b)	(₹ in Lakhs)	28,824.16	27,912.96		
Net Profit Ratio (a/b)	%	22%	19%	12%	NA
Numerator - Profit/(Loss) after tax					
Denominator - Net Sales					
<b>x) Return on Capital Employed (ROCE) :</b>					
Earnings before Interest and Taxes (a)	(₹ in Lakhs)	6,215.37	6,180.94		
Capital Employed (b)	(₹ in Lakhs)	40,506.15	34,962.27		
Return on Capital Employed (a/b)	%	15%	18%	-13%	NA
Numerator - Earnings before Interest and Taxes					
Denominator - (Total Equity (Including Perpetual Securities) + Total Debt + Deferred Tax Liabilities)/(Assets)					
<b>xi) Return on Investment (ROI) :</b>					
Return or Profit or Earnings (a)		39.84%	68.44%	-41.79%	Impact of dynamics
Refer Note a below					



## Notes to the Consolidated Financial Statements

### Note (a) : Return on Investment

$$(MV(T_1) - MV(T_0) - \text{Sum}[C(t)])$$

$$(MV(T_0) + \text{Sum}[W(t) * C(t)])$$

Where,

T<sub>1</sub> = End of time period

T<sub>0</sub> = Beginning of time period

t = Specific date falling between T<sub>1</sub> and T<sub>0</sub>

MV(T<sub>1</sub>) = Market Value at T<sub>1</sub>

MV(T<sub>0</sub>) = Market Value at T<sub>0</sub>

C(t) = Cash inflow, cash outflow on specific date

W(t) = Weight of the net cashflow (i.e. either net inflow or net outflow) on day 't', calculated as (T<sub>1</sub>-t)/T<sub>1</sub>

### Note 46 : Events occurring after the reporting period

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. As of May 18, 2022, there were no subsequent events and transactions to be recognized or reported that are not already disclosed

### Note 47 : Dividend

Dividends paid during the year ended March 31, 2022 include an amount of ₹ 7.00 per equity share towards final dividend for the year ended March 31, 2021. Dividends declared by the Group are based on profits available for distribution. On May 17, 2022, the Board of Directors of the Group have proposed a final dividend of ₹ 8.00 per share in respect of the year ended March 31, 2022 subject to the approval of shareholders at the Annual General Meeting.

### Note 48 : Interest in Other Entities

The Consolidated Financial Statements 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, 2022	As at March 31, 2021
<b>Subsidiaries</b>					
1	Anup Heavy Engineering Limited	India	Engineering Goods	100%	100%

### Note 49 : Disclosures Mandated by Schedule III of Companies Act 2013

Name of the Entities	2021-22							
	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	₹ in Lakhs	As a % of Consolidation net assets	₹ in Lakhs	As a % of Consolidation net assets	₹ in Lakhs	As a % of Consolidation net assets	₹ in Lakhs
<b>Parent</b>								
The Anup Engineering Limited	95%	39,445.01	100%	6,285.24	100%	(4.32)	100%	6,280.92
<b>Subsidiary</b>								
Anup Heavy Engineering Limited	5%	1,998.82	0%	(10.42)	0%	0.00	0%	(10.42)
<b>Sub Total</b>	100%	<b>41,443.83</b>	100%	<b>6,274.82</b>	100%	<b>(4.32)</b>	100%	<b>6,270.50</b>
Inter Company Eliminations and Consolidations Adjustment		2,102.74		69.38		-		69.38
<b>Total</b>		<b>39,341.09</b>		<b>6,205.44</b>		<b>(4.32)</b>		<b>6,201.12</b>

## Notes to the Consolidated Financial Statements

Name of the Entities	2020-21							
	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	₹ in Lakhs	As a % of Consolidation net assets	₹ in Lakhs	As a % of Consolidation net assets	₹ in Lakhs	As a % of Consolidation net assets	₹ in Lakhs
<b>Parent</b>								
The Anup Engineering Limited	100%	33,739.03	100%	5,376.43	100%	(1.98)	100%	5,374.45
<b>Subsidiary</b>								
Anup Heavy Engineering Limited	0%	0.99	0%	(6.76)	0%	0.00	0%	(6.76)
<b>Sub Total</b>	100%	<b>33,740.02</b>	100%	<b>5,369.67</b>	100%	<b>(1.98)</b>	100%	<b>5,367.69</b>
Inter Company Eliminations and Consolidations Adjustment		25.11		17.35		-		17.35
<b>Total</b>		<b>33,714.91</b>		<b>5,352.32</b>		<b>(1.98)</b>		<b>5,350.34</b>

**Note 50 : Regrouped, Recast, Reclassified**

Material regroupings: Appropriate adjustments have been made in the statements of assets and liabilities, statement of profit and loss and cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Group as at March 31, 2022, prepared in accordance with amended Schedule III of Companies Act 2013.

## 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 salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

Amount in ₹

Sr.	Particulars	
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	01.04.2021 to 31.03.2022
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	3,01,500
6	Reserves & surplus	19,95,80,005
7	Total assets	25,54,96,869
8	Total Liabilities	1,77,36,491
9	Details of Investment	NIL
10	Turnover	NIL
11	Profit/(Loss) before Taxation	(10,41,447)
12	Provision for Taxation	NIL
13	Profit/(Loss) after Taxation	(10,41,447)
14	Proposed Dividend	NIL
15	% of Shareholding	100%

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

- Names of subsidiaries which are yet to commence operations: None
- Names of subsidiaries which have been liquidated or sold during the year: None

#### Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

#### Part "B": Associates and Joint Ventures

There are no associate companies and joint ventures during the current financial year

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

- Names of Associates or Joint Ventures which are yet to commence operations: None
- Names of Associates or Joint Ventures which have been liquidated or sold during the year: None

#### For and on behalf of Board of Directors of the Anup Engineering Limited

**Sanjay S Lalbhai**

Chairman  
DIN:00008329

**Punit S. Lalbhai**

Director  
DIN : 05125502

**Rishi Roop Kapoor**

Chief Executive Officer

**Bhavesh Shah**

Chief Financial Officer

**Chintankumar Patel**

Company Secretary

Place: Ahmedabad

Date: 17th May 2022

# The Anup Advantages

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## The Anup Engineering Limited

India's Leading Heat Exchanger Manufacturer

### Expertise

- Full range of Engineering services : Thermal, Mechanical, FEA, CFD, 3 D Modelling
- Technology Products such as Helixchanger

### Efficient

- Unparalleled Delivery Record
- Versatile and Flexible : Offer equipment from 20 MT to 500 MT weight
- Managing Large Project concurrently

### Excellence

- More than 60 years of experience in fabrication of different type of HE
- With Wide Range of metallurgies

### Experience

- Supplied Equipment in more than 20 Countries across All continents
- In Compliance with Global Construction codes



**Anup**  
ENGINEERING

If Undelivered please return to:

**THE ANUP ENGINEERING LIMITED**

CIN: L29306GJ2017PLC099085

Behind 66 KV Elec. Sub-Station,

Odhav Road, Ahmedabad - 382415, Gujarat, India