

Anugraha Valve Castings Limited

24th Annual Report

NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the shareholders of the Company will be held at 10.35 A.M. on Saturday, the 24th day of September, 2016 at Jayamaruthi Hall, Sathiyarayanana Hall (Upstairs), No.3 West Power House Road, Tatabad, Gandhipuram, Coimbatore – 641 012 to transact the following business.

ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet as at 31st March, 2016 and the Statement of Profit and Loss along with Cash Flow Statement for the year ended on that date together with Directors' Report and Auditor's Report thereon.
2. To consider Interim Dividend paid @ 50% as final dividend for the Financial Year ended on 31/03/2016.
3. a). To Appoint a Director in the Place of Shri Ramnath Dureja, who retires by rotation and being eligible, offer himself for re-appointment.
b). To Appoint a Director in the Place of Shri Ajay J Shah, who retires by rotation and being eligible, offer himself for re-appointment.

4. To Ratify the Appointment of Auditor

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 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, the re-appointment of Shri **R. Maheswaran, Chartered Accountant** (Membership No.028062), be and is hereby ratified as Auditor of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 25th Annual General Meeting of the Company, at such remuneration and out-of-pocket expenses as fixed by the board of Directors of the Company”.

SPECIAL BUSINESS

5. To consider, and if thought fit, to pass with or without modification(s) the following resolution as **Special Resolution** :

“RESOLVED THAT in partial modification of the Resolution no.3 passed by the members at the Extra-ordinary General Meeting held on Saturday, the 14th day of March 2015 and pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013, the rule 7 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the members be and is hereby accorded to ratify and approve to remunerate to Shri R. Baskaran, Chairman cum Managing Director as under which includes the remuneration to be paid in the event of loss or inadequacy of profits to the period mentioned”

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A. Salary:

Salary of ₹. 25, 00,000/- per month from 1st April 2016 to 30th September, 2017

Bonus of ₹. 25,00,000/- being one month's salary

B. Perquisites:

- (i). Reimbursement of medical expenses incurred in India or abroad including hospitalization, nursing home and surgical charges for himself and his wife.
- (ii). Personal accidents and Mediclaim insurance policy for self and his wife, premium not to exceed ₹.1,00,000/- per annum.
- (iii). Leave Travel Assistance for self and family once in a year in accordance with the Company's Rules.
- (iv). Other benefits like Gratuity, Provident Fund, Pension, Leave etc. as per the Rules of the Fund, Act and Company.

Provided the aggregate cost to the Company per annum on the perquisite mentioned under Clause (b) shall not exceed 10% of his Annual Salary.

6. To consider, and if thought fit, to pass with or without modification(s) the following resolution as Special Resolution :

“RESOLVED THAT in partial modification of the Resolution no.4 passed by the members at the Extra-ordinary General Meeting held on Saturday, the 14th day of March 2015 and pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013, the rule 7 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the members be and is hereby accorded to ratify and approve to remunerate Shri B. Anandkumar, Joint Managing Director as under which includes the remuneration to be paid in the event of loss or inadequacy of profits in the said period”.

A. Salary :

Salary of ₹.17, 50,000/- per month with retrospective effect from 1st April, 2016 to 30th September, 2017

Bonus of ₹. 52,50,000/- being three months' salary

B. Perquisites:

- (i). Reimbursement of medical expenses incurred in India or abroad including hospitalization, nursing home and surgical charges for himself and his wife.
- (ii). Personal accidents and Mediclaim insurance policy for self and his wife, premium not to exceed ₹. 1,00,000/- per annum.
- (iii). Leave Travel Assistance for self and family once in a year in accordance with the Company's Rules.

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- (iv). Other benefits like Gratuity, Provident Fund, Pension, Leave etc. as per the Rules of the Fund, Act and Company.

Provided the aggregate cost to the Company per annum on the perquisite mentioned under Clause (b) shall not exceed 10% of his Annual Salary.

By Order of the Board



R. BASKARAN

Chairman cum Managing Director

Place : Coimbatore

Date : August 04, 2016

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NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING OF THE COMPANY IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER.

A person can act as proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and same person shall not act as Proxy for any other person or shareholder.

The instrument appointing the Proxy, duly completed and signed, must be deposited at the Registered Office of the Company not less than **48 hours** before the commencement of the Meeting. A Proxy does not have the right to speak at the meeting and can vote only on a poll.

2. The Register of Members of the Company shall remain closed from Wednesday, 14th September 2016 to Saturday, 24th September 2016 (both days inclusive).
3. Pursuant to Section 125 of the Companies Act, 2013, unclaimed dividends up to the Financial Year ended 31st March 2008 have been transferred to the Investor Education and Protection Fund (IEPF).

In terms of the Companies Act, any dividend remaining unclaimed for a period of seven years from the due date of transfer to the Unpaid Dividend account is required to be transferred to the IEPF.

Members shall not be able to claim any unpaid or unclaimed dividend from the IEPF or the Company thereafter.

Members who have not en-cashed their dividend warrants towards the Dividend for the year ended 31st March 2009 or thereafter are requested to write to the Company.

Members are requested to note that the Dividend for the year ended 31st March 2009 declared at the Annual General Meeting held in September 2009 is due to be transferred to the IEPF in October 2016.

4. Members seeking clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the date of the Meeting. This would enable the Company to compile the information and provide replies in the meeting.
5. Members are requested to notify immediately any change in their address to the registered office of the company, quoting their ledger folio number.
6. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
7. Members/proxies should bring the attendance slip duly filled in for attending the Meeting.
8. Every member, being an individual has a right to nominate any nominee of his choice. Members are requested to write to the registered office of the company for more information on nomination facility and/or to get a copy of Nomination form.

Place : Coimbatore
Date : August 04, 2016

For and on behalf of the Board



R. BASKARAN
Chairman cum Managing Director

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.5

The members of the company at the 15th Annual General Meeting held on 22nd September, 2007 approved the Re-appointment and terms of remuneration package set out in the Resolution No.6 of Shri R. Baskaran as Chairman cum Managing Director for a period of five years w.e.f. 01/10/2007 and subsequently the Shareholders in their 20th Annual General Meeting held on 12th September, 2012 approved his re-appointment with the same remuneration package for further period of five years with effect from 01/10/2012 as in the Resolution no.5. Thereafter, in Extra-Ordinary General Meeting of the Company held on 9th March, 2013, the Shareholders revised the remuneration as in the Resolution No.1 of the said meeting as per the provisions of the Companies Act, 1956 by passing Ordinary Resolution. As the Companies Act, 2013 requires the special resolution by the Shareholders in case of inadequacy of profits, it was again approved by the Shareholders by Special Resolution vide the Resolution No.3 of the shareholders' meeting held on 14/03/2015.

Now, the Directors of the Company on recommendation made by the Nomination and Remuneration Committee have approved the proposal of revision of terms of remuneration as set out in the resolution no.5, subject to the approval of the members. Your Directors recommend the resolution for approval by the members of the Company.

The detailed information required as per Section II (B) of Part II of Schedule V of the Companies Act, 2013 about Shri R. Baskaran is as under

I. GENERAL INFORMATION

(i). Nature of Industry	Steel and Alloy Steel Foundry
(ii). Commencement of Commercial Production	1993
(iii). Financial Performance	The provisional result for the four months Period ended on 31/07/2016 is reasonable.
(iv). Export Performance	₹.166.12 Crores for the year 2015-16
(v). Foreign Investment / Collaborators	Nil

II. INFORMATION ABOUT SHRI R. BASKARAN

(i). Background

Shri R. Baskaran had been trading in automobile spare parts for over 32 years. He commenced manufacturing activity by promoting this company about 24 years back. Needless to say that he has dedicated his full time to this Company.

(ii). Past Remuneration

₹ 3.00 Crores per annum.

(iii). Awards / Recognitions**(a). Awards:**

With the dedicated work force and committed management of him, the company has won many awards such as "Export Excellence Award", "Star Performer Award", "Asia Pacific International Award" etc... He has also won many accolades for himself. Few of those are as follows,

Honorary Doctorate of Foundry Science from The Yorker International University Certificate of Excellence as Entrepreneur of the Year from Manufacturing Today – Conference & Awards 2012 CMA – ROOTS – Best Entrepreneur Award from Coimbatore Management Association GK Sundaram Award from The Indian Chamber of Commerce and Industries

(b). Recognitions

Under his valuable guidance and supervision, the company has achieved the following recognitions.

ISO 14001:2004

OHSAS 18001:2007

ISO 9001:2008

ISO 3834-2 (EN 729 – 2)

Well Known Foundry etc...

(iv). Job Profile and his Suitability

He contributes extensively to the growth of the Company. The entire work force as a huge team moves under his able guidance. Customers find his down to earth approach very appealing and he is certainly the most suitable leader to head the Company.

(v). Remuneration Proposed**A. Salary:**

Salary of ₹. 25, 00,000/- per month from 01st April 2016 to 30th September, 2017

Bonus of ₹. 25,00,000/- being one month's salary

B. Perquisites:

(i). Reimbursement of medical expenses incurred in India or abroad including hospitalization, nursing home and surgical charges for himself and his wife.

(ii). Personal accidents and Medclaim insurance policy for self and his wife, premium not to exceed ₹. 1,00,000/- per annum.

(iii). Leave Travel Assistance for self and family once in a year in accordance with the Company's Rules.

(iv). Other benefits like Gratuity, Provident Fund, Pension, Leave etc. as per the Rules of the Fund, Act and Company.

Provided the aggregate cost to the Company per annum on the perquisite mentioned under Clause (b) shall not exceed 10% of his Annual Salary.

(vi). Comparative Remuneration Profile With Respect to Industry, Size of the Company, Profile of the Position and Person:

The remuneration package is competitive and is at par with the packages offered in the industry of this size though there is still enough room for improving the package.

(vii). Pecuniary relationship

Shri B. Anandkumar, the Joint Managing Director is his Son.

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III. OTHER INFORMATION

(i). Reasons for inadequate profits	The profits are considered inadequate because the remuneration set out in the Item 3 & 4 exceeds the ceiling prescribed for managerial Remuneration under section I of Part II of Schedule V to the Companies Act, 2013
(ii). Steps taken or proposed to be taken for improvement	The company has taken various measures like new foundry to produce investment castings to meet our existing customers' need and to increase production and also contemplating value addition to its products, ability to deliver high quality yields, higher Price and repeat orders.
(iii). Expectation in production and profits in measurable terms	Production during the current fiscal is expected to increase over last year and the profit also .

None of the Directors except Shri R. Baskaran and Shri B. Anandkumar is in any way concerned or interested in this resolution.

The members are requested to consider and approve the above proposal of Remuneration to Shri R. Baskaran, Chairman cum Managing Director.

The Board of Directors recommends the passing of the above resolution as **Special Resolution**.

Item No.6

Shri B. Anandkumar was re-appointed as the Joint Managing Director for a period of five years with effect from 01/10/2007 with the monthly remuneration of ₹ 2.50 lakhs which was approved by the resolution no.7 passed by the shareholders at the Annual General Meeting held on 22nd September, 2007 which was subsequently raised to ₹.5 lakhs p.m. by the resolution of the members at an extra-ordinary general meeting held on 10th March, 2012 for 6 months period from 01/04/2012 to 30/09/2012. Further, the Shareholders in their 20th Annual General Meeting held on 12th September, 2012 approved his re-appointment for a further period of five years with the same remuneration package set out in the Resolution no.6. Thereafter, in Extra-Ordinary General Meeting of the Company held on 9th March, 2013, the Shareholders revised the remuneration as in the Resolution No.2 of the said meeting as per the provisions of the Companies Act, 1956 by passing Ordinary Resolution. As, the Companies Act, 2013 requires the special resolution by the Shareholders in case of inadequacy of profits it was again approved by the Shareholders by Special Resolution in their meeting held on 14th March, 2015 for remuneration package set out in Resolution no.4 of the said meeting..

Now, the Directors of the Company on recommendation made by the Nomination and Remuneration Committee have approved the proposal of increase in remuneration as set out in the above resolution no.6, subject to the approval of the members. Your Directors recommend the resolution for approval by the members of the Company.

The detailed information required as per Section II (B) of Part II of Schedule V of the Companies Act, 2013 about Shri B. Anandkumar is as under

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I. GENERAL INFORMATION

(i). Nature of Industry	Steel and Alloy Steel Foundry
(ii). Commencement of Commercial Production	1993
(iii). Financial Performance	The provisional result for the four months Period ended on 31/07/2016 is reasonable.
(iv). Export Performance	₹. 166.12 Crores for the year 2015-16
(v). Foreign Investment / Collaborators	Nil

II. INFORMATION ABOUT SHRI B. ANANDKUMAR

(i). Background

Shri B. Anandkumar is a Post Graduate in Business Administration, London. He looks after Administration, Sales and Marketing. He looks after day to day operations along with the Chairman cum Managing Director. He is responsible for creating an Interactive Customer Relationship (ICR) System.

(ii). Past Remuneration

₹. 2.25 Crores per annum.

(iii). Recognition / Award

The Company has won many Awards and recognitions under his wonderful combination.

(iv). Job Profile and his Suitability

By virtue of his long experience in the company, he is very suitable for the post and responsibility associated with the post.

(v). Remuneration Proposed

A. Salary:

Salary of ₹.17, 50,000/- per month with retrospective effect from 1st April, 2016 to 30th September, 2017

Bonus of ₹. 52,50,000/- being three months' salary

B. Perquisites:

- Reimbursement of medical expenses incurred in India or abroad including hospitalization, nursing home and surgical charges for himself and his wife.
- Personal accidents and Mediclaim Insurance policy for self and his wife, premium not to exceed ₹. 1,00,000/- per annum.
- Leave Travel Assistance for self and family once in a year in accordance with the Company's Rules.

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(iv). Other benefits like Gratuity, Provident Fund, Pension, Leave etc. as per the Rules of the Fund, Act and Company.

Provided the aggregate cost to the Company per annum on the perquisite mentioned under Clause (b) shall not exceed 10% of his Annual Salary.

(vi). Comparative Remuneration Profile With Respect to Industry, Size of the Company, Profile of the Position and Person:

The remuneration package is very reasonable and has been designed to serve as a motivating package.

(vii). Pecuniary relationship

Shri R. Baskaran, the Chairman cum Managing Director is his father.

III. OTHER INFORMATION	
(i). Reasons for inadequate profits	The profits are considered inadequate because The remuneration set out in the Item 3 & 4 exceeds the ceiling prescribed for Managerial Remuneration under section I of Part II of Schedule V to the Companies Act, 2013
(ii). Steps taken or proposed to be taken for improvement	The company has taken various measures like New foundry to produce investment castings to meet our existing customers' need and to increase production and also contemplating value addition to its products, Ability to deliver high quality yields, higher Price and repeat orders.
(iii). Expectation in production and profits in measurable terms	Production during the current fiscal is expected to maintain over last year and the profit also

None of the Directors except Shri R. Baskaran and Shri B. Anandkumar is in any way concerned or interested in this resolution.

The members are requested to consider and approve the above proposal for increase in the salary of Shri B. Anandkumar, Joint Managing Director.

The Board of Directors recommends the passing of the above resolution as **Special Resolution**.

By Order of the Board



R. BASKARAN

Chairman cum Managing Director

Place : Coimbatore

Date : August 04, 2016