



**THE ANUP ENGINEERING LIMITED**

**Annual Report 2002-2003**

**THE ANUP ENGINEERING LIMITED**  
**AHMEDABAD**

**DIRECTORS :**

SHRI SAMVEG A. LALBHAI  
SHRI ANUP P. SHETH  
SHRI PANKAJ SUDHAKER SHETH  
SHRI CHANDRAKANT T. PARIKH  
SHRI SHREYAS CHINUBHAI SHETH

CHAIRMAN

**REGISTERED OFFICE/WORKS :**

Behind 66 KV Elec. Sub-Station,  
Odhav Road,  
Ahmedabad-382 415

**AUDITORS :**

MESSERS DALAL & SHAH  
Chartered Accountants

**BANKERS :**

Bank of Baroda

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Shareholders intending to require information about Accounts to be explained in the meeting are requested to inform the Company atleast 7 days in Advance of the Annual General Meeting.

# The Anup Engineering Limited

## DIRECTORS' REPORT

Your Directors submit herewith the 40th Annual Report together with the audited statements of Accounts for the year ended 31st March, 2003

### 1. FINANCIAL RESULTS :

	2002-2003 (Rs.in Lacs)	2001-2002 (Rs.in Lacs)
Loss before Interest, Depreciation & Taxation	(50.35)	(30.30)
Less : Interest	47.93	50.50
Depreciation	14.54	17.18
Deferred Revenue Expense		
Written Off	<u>63.31</u>	<u>53.65</u>
	125.78	121.33
Provision for Taxation (Defered)	(91.10)	—
Profit/ (Loss) for the year	(85.03)	(151.63)
Excess Depreciation Written Back		1.32
Income Tax Refund		1.65
Deferred Tax Asset(Net)	121.17	
Balance carried of the last year	<u>(332.05)</u>	<u>(183.39)</u>
Balance carried to next year	<u>(295.91)</u>	<u>(332.05)</u>

In view of the loss, your Directors regret their inability to recommend any dividend for the year ended 31-3-2003.

### 2. OPERATIONS :

During the year under report your company achieved sales of Rs. 891.80 lacs as against sales of Rs. 823.69 Lacs during the year 2001-02. Loss before interest, depreciation and deferred revenue expenses was higher from Rs. 30.30 Lacs to Rs. 50.35 Lacs. Increase in prices of Steel and other major raw materials, rise in other input cost, squeezed margins under tough competition and working capital shortage affected the working to a large extent.

### 3. PROSPECTS :

After continued recession for three years, improvements in industrial environment, has started picking up the order book position of the Company. Given the favorable monsoon, your company is hopeful of improving the performance during the current year.

Your Directors are putting all out efforts to bring the Company out of difficult time.

### REFERENCE TO BIFR :

Your company has been registered as Sick Company by BIFR under the provisions of the Sick Industrial Companies (Special Provision) Act, 1985.

### 5. DIRECTORS' RESPONSIBILITY STATEMENT :

As required under Section 217 (2AA) of Companies Act, 1956, your Directors state:

- that in the preparation of annual accounts, the applicable accounting standards have been followed except Accounting Standard 15 "Accounting of Retirement benefit" with regard to amortisation of additional gratuity contributions in respect of outgoing employees and with regard to leave encashment liability, non-applicability of said standard as detailed in Note No.9 and 18 respectively in Schedule 18 to the account.
- that accounting policies selected and applied are consistent and the judgments and estimates made 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 or loss of the company for the period.
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- that the annual accounts have been prepared on going concern basis

# The Anup Engineering Limited

## 6. COMPLIANCE CERTIFICATE :

The compliance certificate issued in terms of Section 383A(i) provision of the Companies Act, 1956 by a Company Secretary in whole time practice is attached.

## 7. LISTING OF EQUITY SHARES :

Company's shares are listed on the The Stock Exchange, Ahmedabad.

## 8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUT GO :

A Statement in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto & forms part of the Report.

## 9. INSURANCE :

The Company's Building, Machineries and Stocks except certain risks, which are borne by the Company, are insured at cost against fire, earthquake, riot and malicious damage risks.

## 10. DIRECTORS :

Shri Chandrakant T. Parikh retire by rotation and being eligible, offer himself for re-election.

## 11. AUDITORS :

You are requested to appoint the Auditors and fix their remuneration.

The specific notes forming part of the accounts referred to in the Report of the Auditors are self explanatory and do not call for any further explanation under Section 217(3) of the Companies Act, 1956.

## 12. EMPLOYEES :

There is no employee drawing salary of Rs.1 Lac per month or Rs.12.00 Lacs per annum during the year under report and as such no information is required to be given under Section 217(2A)(b) of the Companies Act, 1956.

## 13. APPRECIATION:

Your Directors are pleased to record their appreciation of services rendered by employees and the other members of staff.

Your Directors are pleased to record their appreciation of the all support and help given by Banks, Government Authorities and other offices during the year.

Ahmedabad.

Date: 27th June, 2003

By Order of the Board,

SAMVEG A. LALBHAI  
CHAIRMAN

## COMPLIANCE CERTIFICATE

(UNDER PROVISIO TO SECTION 383(A)(I) OF THE COMPANIES ACT, 1956)

To,  
The Members,  
The Anup Engineering Ltd.,  
Ahmedabad.

I have examined the Registers, Records, Books and papers of The Anup Engineering Ltd. as required to be maintained under the Companies Act, 1956 and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Associations of the company for the financial year ended 31st March, 2003. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company its officer and agents, I certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained the following Registers:

- |   |                                  |
|---|----------------------------------|
| a) Register of Members.                 | e) Register of Investments.      |
| b) Register of Directors.               | f) Register of Shares Transfers. |
| c) Register of Directors Shareholdings. | g) Register of Contracts.        |
| d) Register of Charges                  |                                  |

## ANNUAL REPORT

2. The Company has filed the Forms and Returns with Registrar of Companies as per details given below :

<u>Date of Filing</u>	<u>Document filed</u>
17/04/2002	Form No. 32
12/07/2002	Statement in Lieu of Advertisement.
08/10/2002	Balance Sheet as at 31/03/2002.
08/10/2002	Compliance Certificate.
17/10/2002	Annual Return made upto 16/09/2002.
30/01/2003	Form No. 18
21/03/2003	Form No. 8 & 13.

3. The Company is not a Pvt. Ltd. and hence this para is not applicable.
4. The Board of Directors duly met four times on 29/06/2002, 27/07/2002, 31/10/2002, 28/01/2003, in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
- The Company has closed its Register of Members, from 16/08/2002 to 21/08/2002. (Both days inclusive).
6. The Annual general meeting for the year ended 31/03/2002 was held on 16/09/2002 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No extra Ordinary General meeting was held during the year.
8. The Company has not given any Loans to Director and firms as referred to in Section 295.
9. The company has duly complied with the provisions of Section 297 of the Act in respect of Contracts Specified in that Section.
10. Company has made necessary entries in the Register maintained U/S 301 of the Act.
11. No relative of Directors is holding any office or place of profit hence section 314 is not applicable.
12. There is no issue of any duplicate share certificate.
13. (i) The company has delivered certificates of shares after transfer/transmission as per Act.  
(ii) The company has not declared any dividend.  
(iii) Unpaid dividend will be transferred as and when falling due.  
(iv) Company has complied with the requirements of Section 217.
14. The Board of Directors is duly constituted and appointment of Directors has been duly made.
15. There is no appointment of Managing Director or Whole time Director during the year.
16. There is no appointment of sole selling agent.
17. There is no activity undertaken by the Company requiring approval of Company Law Board, R.D. or Central Government.
18. The Directors had disclosed their interest to the Board of Directors as per Section 299.
19. The company has not issued any shares or debentures during the year.
20. The company has not bought back any shares.
21. The company has no preference shares and debentures.
22. The company has not issued any right shares and Bonus shares.
23. The company has not accepted any deposits during the year.
24. The company has only working capital limit with banks.
25. The company has not made any loans & investments etc. during the year.
26. The company has not shifted its Registered Office from one state to another.
27. The company has not altered the object clause of Memorandum.
28. The company has not changed its name.
29. The company has not altered share capital clause of Memorandum.
30. The company has not altered its Articles of Association.
31. The company has not received any show cause notice for any offence under the Act.
32. The company has not received any security deposits from employees.
33. The company has deposited Provident Fund contribution regularly as per section 418 of the Companies Act, 1956.

Place : Ahmedabad

Date : 27/06/2003

(C. R. DAMANI)  
Company Secretary  
C.P. No. 445

# The Anup Engineering Limited

## ANNEXURE TO THE DIRECTORS' REPORT (UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956)

### A. CONSERVATION OF ENERGY :

The Company's operations involve low energy consumption. Wherever possible, energy conservation measures have been implemented, but there are no major areas where further energy conservation measures can be taken. Efforts to conserve and optimise the use of energy will continue.

#### FORM A

### A. POWER AND FUEL CONSUMPTION :

	2002-2003	2001-2002
<b>1. (a) Electricity :</b>		
Units	4,02,910	5,12,850
Total Amount (Rs.)	25,09,531	30,66,130
Rate/Unit (Rs.)	6.23	5.97
<b>(b) Own Generation :</b>		
(Through Diesel Generator)		
Units	21,108	22,692
Total Amount (Rs.)	2,35,704	1,51,910
Rate/Unit (Rs.)	11.16	6.69
<b>2. Furnace Oil :</b>		
Qty (Liters)	57,000	67,000
Cost	6,86,096	6,82,912
Rate per	12.03	10.19

#### FORM B

### B. TECHNOLOGY ABSORPTION :

#### RESEARCH & DEVELOPMENT :

#### (a) Specific areas in which R&D carried out by the Company :

The Company has a Research & Development Laboratory recognised 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 controls.

#### (b) Benefits derived as a result of R&D:

As a result of Company's Research & Development Laboratory, Company is benefited by process and product improvement.

#### (c) Future Plan of action :

The Company will continue to lay emphasis on the main areas of R&D set out under para (a) above.

#### (d) R&D Expenditure :

	2002-2003 (Rs.in Lacs)	2001-2002 (Rs.in Lacs)
Capital		
Recurring	5.67	7.29
Total	5.67	7.29
Total R&D Expenditure as % of Total Turn Over	0.64	0.90

#### Technology absorption, adaptation and innovation :

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

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

The information is given in Notes forming part of the accounts. Members are requested to refer the said notes.

**AUDITOR'S REPORT TO THE MEMBERS**

We have audited the attached Balance Sheet of The Anup Engineering Limited as at 31st March, 2003 and also the Profit and Loss Account and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- 2) In our opinion, proper Books of Account as required by law have been kept by the Company so far as appears from our examination of those books.
- 3) The Balance Sheet, Profit & Loss Account and cash flow statement dealt with by this report are in agreement with the Books of Account of the Company.
- 4) In our opinion, the Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report read with Note No.13 regarding non-applicability of Standard to leave encashment liability required by the Accounting Standard AS-15 "Accounting for Retirement Benefits" comply with the Accounting standard referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
- 5) On the basis of written representations received from Directors as on 31st March, 2003 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2003 from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
- 6) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required.
- 7) We draw reference to :

**Note No.13 regarding non-applicability of Accounting Standard AS-15 "Accounting for Retirement Benefits" - with regard to Leave encashment Liability, issued by the Institute of Chartered Accountants of India.**

**Subject to what is stated above,** the Accounts present a true and fair view in conformity with the accounting Principles generally accepted in India:

- (a) in the case of Balance Sheet of the State of the affairs of the Company as on 31st March, 2003 and
- (b) in the case of the Profit & Loss Account of the loss before provision for Doubtful debts for the year ended on that date.

As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 and in terms of the information and explanations given to us and on the basis of such checks as we considered appropriate we further state that :

- i. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. As explained to us, all the Assets have been physically verified by the Management at reasonable intervals during the year. The discrepancies noticed on physical

# The Anup Engineering Limited

verification were not serious and have been properly dealt with in the Books of Account.

- ii. None of the Fixed Assets have been revalued during the year.
- iii. a) The Stocks of Finished Goods, Stores, Spare parts, Raw Materials and Components have been physically verified by the Management at reasonable intervals during the year and/or at the close of the year;  
b) As explained to us, the procedures of physical verification of the Stocks referred to in (a) above followed by the Management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business;  
c) According to the records produced to us for our verification, there were no material discrepancies noticed on physical verification of Stocks referred to in (a) above, as compared to book records and the same have been properly dealt with in the Books of Account;  
d) We have examined and verified the Stock verification records of the Company and also wherever necessary, we have physically verified the Stocks; taking assistance from the technical Staff of the Company. On the basis of such examination and verification and also considering the accounting method adopted for accounting of customs duty referred to in Note No.7 to the Accounts, we are satisfied that the valuation of Stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- iv. The Company has not taken any loans secured or unsecured from the companies, firms and other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As explained to us there is no Company under the same management within the meaning of Section 370(1-B) of the Companies Act, 1956.
- v. The Company has not granted any loan secured or unsecured to companies, firms or other parties listed in Register maintained under Section 301 of the Companies Act, 1956. As explained to us there is no Company under the same Management within the meaning of Section 370 (1-B) of the Companies Act, 1956.
- vi. Loans or advances in the nature of loans have been given to employees only, the loans being free of interest. The recovery of principal amount is regular as stipulated.
- vii. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of Stores, Raw Materials including Components, Plant & Machinery, Equipment and other Assets and also for the sale of goods;
- viii. According to the information and explanations given to us, the transactions of sale of goods and materials made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs.50,000 or more in respect of each party, have been made at prices which are reasonable having regard to prevailing market prices for such goods and materials or prices at which transactions for similar goods have been made with other parties. Company has not entered in any Purchase transactions during the year.
- ix. As explained to us, the Company has a regular procedure for determination of unserviceable or damaged Stores, Raw Materials, Components or Finished Goods and necessary provisions for the loss arising on the items so determined have been made in the books of account of the Company.
- x. The Company has not accepted any deposits from the Public.
- xi. In our opinion, reasonable records have been maintained by the Company for sale and disposal of realisable manufacturing scrap. The Company has no by-products.
- xii. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business;



## ANNUAL REPORT

- xiii. The Central Government has not prescribed maintenance of the Cost Record under Section 209(1)(d) of the Companies Act, 1956, for any of the product of the Company;
- xiv. According to the records of the Company, the Provident Fund and Employees' State Insurance dues, during the year have been regularly deposited with the appropriate authorities.
- xv. According to the records of the Company and subject to the method of accounting consistently followed by it with regard to accounting of Customs duty only at the time of removal and/or clearance of the goods as detailed in Note No.7 to the accounts, no undisputed amounts payable in respect of Income-tax, Sales Tax, Customs Duty and Excise Duty were outstanding as at the last date of financial year, for a period of more than six months from the date they became payable.
- xvi. On the basis of (i) the examination of Books of Account, (ii) the Vouchers produced to us for our verification, (iii) the explanations given and representation made to us on our inquiries and (iv) the check and control relating to authorising the expenditure on the basis of contractual obligations to the employees, accepted business practices having regard to the Company's needs and exigencies, we have not come across any expenses charged to revenue which, in our opinion, and judgement and to the best of our knowledge and belief could be regarded as personal expenses;
- xvii. The Company is registered as a sick industrial company within the meaning of Clause (0) of subsection (I) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

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For and on behalf of  
**Dalal & Shah**  
Chartered Accountants

Ahmedabad.  
Date : 27th June, 2003.

B.R.SHAH  
Partner  
(Membership No.5806)

# The Anup Engineering Limited

## BALANCE SHEET AS AT 31ST MARCH, 2003

	Schedule		31st March, 2003 Rs.	31st March 2002 Rs.
<b>I. SOURCES OF FUNDS:</b>				
(1) Shareholders' Funds:				
(a) Capital	1	14,000,000		14,000,000
(b) Reserves & Surplus	2	<u>124,005,243</u>		<u>125,664,434</u>
			138,005,243	<u>139,664,434</u>
(2) Loan Funds:				
(a) Secured Loans	3	36,918,684		23,920,279
(b) Unsecured Loans	4	<u>71,723,608</u>		<u>67,276,064</u>
			<u>108,642,292</u>	<u>91,196,343</u>
		<b>TOTAL</b>	<u>246,647,535</u>	<u>230,860,777</u>
<b>II. APPLICATION OF FUNDS:</b>				
(1) Fixed Assets:				
(a) Gross Block		203,667,117		204,170,522
(b) Less : Depreciation		<u>50,942,482</u>		<u>48,333,918</u>
(c) Net Block	5		152,724,635	155,836,604
(2) Investments	6			45,000
(3) Deferred Tax Assets (Net) (See Note 8)			21,227,155	-
(4) Current assets, Loans and Advances :	7			
(a) Inventories		23,525,285		40,742,227
(b) Sundry Debtors		13,589,829		8,848,565
(c) Cash and Bank Balances		1,701,480		3,005,608
(d) Loans and Advances		<u>2,481,817</u>		<u>3,603,463</u>
		<u>41,298,411</u>		<u>56,199,863</u>
Less : Current Liabilities and Provisions :	8			
(a) Liabilities		26,835,827		47,761,925
(b) Provisions		-		-
		<u>26,835,827</u>		<u>47,761,925</u>
Net Current Assets			14,462,584	8,437,938
(5) (a) Miscellaneous Expenditure: (To the extent not written off or adjusted)				
Deferred Revenue Expenditure	9	<u>28,842,167</u>		<u>33,536,203</u>
(b) Profit and Loss Account :				
Debit balance as per Annexured Account		29,590,994		33,205,032
Less : General Reserve, Per Contra		<u>200,000</u>		<u>200,000</u>
		<u>29,390,994</u>		<u>33,005,032</u>
			<u>58,233,161</u>	<u>66,541,235</u>
		<b>TOTAL</b>	<u>246,647,535</u>	<u>230,860,777</u>

Notes forming part of the Accounts 18

As per our attached report of even date.

For and on behalf of  
**DALAL & SHAH**  
Chartered Accountants  
B.R.SHAH  
Partner.  
(Membership No.5806)  
Ahmedabad.  
27th June, 2003

**SAMVEG A. LALBHAI**  
CHAIRMAN

For and on behalf  
of the Board of Directors  
**ARUN P. SHETH**  
**SHREYAS C. SHETH**  
DIRECTORS

Ahmedabad.  
27th June, 2003

# ANNUAL REPORT

## THE ANUP ENGINEERING LIMITED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2003

	Schedule	2002-2003	2001-2002
		Rs.	Rs.
<b>INCOME:</b>			
Sales		74,728,224	74,220,564
Fabrication Charges		13,262,808	6,057,801
Other Income	10	1,189,415	2,091,024
		89,180,447	82,369,389
Increase/Decrease in Stocks	11	(15,356,585)	7,536,680
		73,823,862	89,906,069
<b>EXPENDITURE:</b>			
Raw Materials Consumed	12	39,234,847	44,607,749
Manufacturing Expenses	13	15,435,437	14,041,405
Employees' Emoluments	14	5,307,931	16,634,204
Interest and Finance Charges	15	4,793,488	5,050,377
Deferred Revenue Expenditure Written Off		6,330,700	5,364,929
Excise Duty		11,990,607	10,313,685
Other	16	6,889,562	7,339,352
Depreciation & Other Write Offs	17	3,113,598	3,376,858
Less : Transferred from Revaluation Reserve		1,659,191	1,659,191
		1,454,407	1,717,667
		91,436,979	105,069,368
Loss before Taxation and Provision for doubtful debts		(17,613,117)	(15,163,299)
Provision for Taxation :			
Current Tax		-	-
Deferred Tax (See Note 8)		9,110,189	-
		9,110,189	-
Loss for the year before provision for doubtful debts		(8,502,928)	(15,163,299)
Excess Depreciation Written Back		-	131,889
Income Tax Refund		-	165,000
		(8,502,928)	(14,866,410)
As per last Account		(33,205,032)	(18,338,622)
Deferred Tax Assets (Net) as on 31.03.2002 (See Note 8)		12,116,966	-
Balance carried to Balance Sheet		(29,590,994)	(33,205,032)
Notes forming part of the Accounts	18		
(Basic/diluted earning per share)(See Note 10)		(-) Rs.60.73	(-) Rs.106.19

As per our attached report of even date.

For and on behalf of  
**DALAL & SHAH**  
Chartered Accountants  
B.R.SHAH  
Partner.  
(Membership No.5806)  
Ahmedabad.  
27th June, 2003

**SAMVEG A. LALBHAI**  
CHAIRMAN

For and on behalf  
of the Board of Directors  
**ARUN P. SHETH**  
**SHREYAS C. SHETH**  
DIRECTORS

Ahmedabad.  
27th June, 2003

# The Anup Engineering Limited

Schedule 1 to 18 annexed to and forming part of the Balance Sheet as at and Profit & Loss Account for the year ended 31st March, 2003

	Rs.	31st March, 2003 Rs.	31st March 2002 Rs.
<b>SCHEDULE '1' : SHARE CAPITAL</b>			
<b>AUTHORISED:</b>			
2,50,000 Shares of Rs.100/- each		<u>25,000,000</u>	<u>25,000,000</u>
<b>ISSUED:</b>			
1,40,000 Equity Shares of Rs.100/-each		<u>14,000,000</u>	<u>14,000,000</u>
<b>SUBSCRIBED :</b>			
5,000 Equity Shares of Rs.100/- each allotted to Shareholders of Hind Laboratories Private Ltd. as fully paid without payment being received in cash, in terms of amalgamation scheme sanctioned by Gujarat High Court, as per order dated 20/07/1964		500,000	500,000
2,500 Equity Shares of Rs.100/- each allotted to M/s.Machinefabriek Reineveld N.V., as fully paid without payment being received in cash pursuant to collaboration agreement for Technical Know-how		250,000	250,000
1,32,500 Equity Shares of Rs.100/- each fully paid (including 9,992 Shares issued as fully paid Bonus Shares by way of Capitalisation of Reserve)		<u>13,250,000</u>	<u>13,250,000</u>
	<b>TOTAL</b>	<u>14,000,000</u>	<u>14,000,000</u>
<b>SCHEDULE '2' : RESERVES &amp; SURPLUS :</b>			
<b>CAPITAL RESERVE</b>		1,075	1,075
<b>REVALUATION RESERVE :</b>			
As per last Account	125,661,439		127,320,630
Less : Transferred to Profit & Loss Account	<u>1,659,191</u>		<u>1,659,191</u>
		124,002,248	125,661,439
<b>SECURITY PREMIUM ACCOUNT</b>		1,920	1,920
<b>GENERAL RESERVE :</b>			
As per last Account	200,000		200,000
Less : Deducted from Profit and Loss Account, Per Contra	<u>200,000</u>		<u>200,000</u>
	<b>TOTAL</b>	<u>124,005,243</u>	<u>125,664,434</u>

	Rs.	31st March, 2003 Rs.	31st March 2002 Rs.
<b>SCHEDULE '3' : SECURED LOANS:</b>			
From a Bank, secured by, first charge by way of equitable mortgage of entire fixed assets comprising of Land, Buildings, Machinery and other miscellaneous assets and extension of existing charge by way of hypothecation of Stocks and Book-debts created in favour of Bankers for working capital facilities			
Term Loan	3,974,755		5,161,007
Corporate Loan	<u>15,065,836</u>		<u>-</u>
		19,040,591	5,161,007

From a Bank, against hypothecation of Raw Materials, Finished Goods, Work-in-progress, Book Debts etc., and against second charge on Fixed Assets of the Company

Cash Credit		<u>17,878,093</u>	<u>18,759,272</u>
<b>TOTAL</b>		<u><b>36,918,684</b></u>	<u><b>23,920,279</b></u>

**SCHEDULE '4' : UNSECURED LOANS:**

From Joint Stock Companies

	<u>71,723,608</u>	<u>67,276,064</u>
<b>TOTAL</b>	<u><b>71,723,608</b></u>	<u><b>67,276,064</b></u>

**SCHEDULE '5' : FIXED ASSETS**

Fixed Assets	GROSS BLOCK(a)					DEPRECIATION		NET BLOCK		
	As at 31-3-2002	Additions	Deductions	As at 31-3-2003	Upto 31-3-2002	Recouped & Adjustment	For the Year	Upto 31-3-2003	As at 31-3-2003	As at 31-3-2002
Land Leasehold	117253320	0	461670	116791650	0	0	0	0	116791650	117253320
Buildings	41286296	0	1	41286295	10039395	0	1376533	11415928	29870367	31246901
Machinery	40911626	0	43364	40868262	34369026	43364	1116339	35442001	5426261	6542600
Electric Installations	1768004	0	1	1768003	1719311	0	48692	1768003	0	48693
Tube Well	119104	0	0	119104	47729	0	1951	49680	69424	71375
Furniture & Deadstock	2157930	1630	0	2159560	1643318	0	84105	1727423	432137	514612
Drawings	100000	0	0	100000	100000	0	0	100000	0	0
Vehicles	574242	0	0	574242	415139	0	24,308	439447	134795	159103
<b>Total</b>	<b>204170522</b>	<b>1630</b>	<b>505035</b>	<b>203667117</b>	<b>48333918</b>	<b>43364</b>	<b>2651928</b>	<b>50942482</b>	<b>152724635</b>	<b>155836604</b>
Previous Year's Total	205374203	14560	1218241	204170522	45977864	559134	2915188	48333918	155836604	

(a) At cost, except Leasehold Land, which is at revaluated value less amounts written off and Buildings at revalued value.

# The Anup Engineering Limited

	Rs.	31st March, 2003 Rs.	31st March 2002 Rs.
<b>SCHEDULE '6' : INVESTMENTS; AT COST:</b>			
<b>In fully paid Shares, Other than trade, unquoted:</b>			
1,100 Shares of Rs.25/- each in Nutan Nagrik Sahkari Bank Ltd.		0	27,500
240 Shares of Rs.50/- each in Ahmedabad Mercantile Co-operative Bank Ltd.		0	12,000
55 Shares of Rs.100/- each in The Vijay Co-operative Bank Ltd.		0	5,500
<b>TOTAL</b>		<u>0</u>	<u>45,000</u>

## SCHEDULE '7' : CURRENT ASSETS, LOANS AND ADVANCES :

### (a) Inventories:

Stores & Spares, at cost	2,828,620	2,828,201
Obsolete & Unserviceable Stores & Spares, at estimated realisable value	<u>6,943</u>	<u>6,943</u>
	2,835,563	2,835,144
Stock-in-Trade : at cost or net realisable value whichever is lower (unless otherwise stated)		
Raw Materials	8,642,648	10,503,424
Obsolete & Unserviceable Raw materials, at estimated realisable value	<u>24,548</u>	<u>24,548</u>
	8,667,196	10,527,972
Work-in-Progress	9,059,485	20,272,794
Finished Goods	<u>1,866,954</u>	<u>6,010,230</u>
	19,593,635	36,810,996
Goods in Bonded Warehouse, Cost to-date	<u>1,096,087</u>	<u>1,096,087</u>
As per Inventory taken, certified and Valued by the Management	23,525,285	40,742,227

### (b) Sundry Debtors, Unsecured:

#### (i) Outstanding for more than six months:

Good	1,977,548	593,472
Doubtful	5,455,955	5,455,955
Less: Provision	<u>281,758</u>	<u>281,758</u>
	5,174,197	5,174,197
	7,151,745	5,767,669
	<u>6,438,084</u>	<u>3,080,896</u>

#### (ii) Other, Good

	<u>13,589,829</u>	<u>8,848,565</u>
<b>Carried Over</b>	<b>37,115,114</b>	<b>49,590,792</b>

		31st March, 2003 Rs.	31st March 2002 Rs.
	<b>Brought Over</b>	<b>37,115,114</b>	<b>49,590,792</b>
<b>(c) Cash and Bank Balances :</b>			
Cash on hand	<u>62,538</u>		<u>63,952</u>
Bank Balances:			
With Scheduled Banks :			
In Current Account	326,918		836,836
In Fixed Deposit :			
Deposit receipt endorsed in favour of Bank for Letter of Credit & Bank Guarantee facility	1,250,454		2,012,753
Accrued Interest on above	<u>61,570</u>		<u>92,067</u>
	<u>1,638,942</u>		<u>2,941,656</u>
		1,701,480	3,005,608
<b>(d) Loans and Advances, Unsecured, Good:</b>			
Advances recoverable in cash or in kind or for value to be received	2,149,695		2,633,917
Balance with Customs and Collectorate of Central Excise	10,601		642,822
Tax paid in Advance, less provision	<u>321,521</u>		<u>326,724</u>
		<u>2,481,817</u>	<u>3,603,463</u>
<b>TOTAL</b>		<b><u>41,298,411</u></b>	<b><u>56,199,863</u></b>

**SCHEDULE '8' : CURRENT LIABILITIES AND PROVISIONS :****(a) Liabilities :****Sundry Creditors :****(i) Due to Small Scale Industrial Undertakings**

(See Note 11)

551,793

1,717,450

**(ii) Others**11,775,47424,325,533

12,327,267

26,042,983

**Expenses payable**

7,239,970

7,906,229

**Advances from Customers**

7,253,404

13,797,527

**Investors Education and Protection Fund shall be  
credited by the following (See Note Below)****Unclaimed Dividends**15,18615,186**TOTAL**26,835,82747,761,925

Note : The Figures are outstanding as at 31st March, 2003,  
The actual amount to be transferred to said fund in this  
respect shall be determined on the due dates.

**SCHEDULE '9' : MISCELLANEOUS EXPENDITURE:****(To the extent not written off on adjusted)****Deferred Revenue Expenditure****Payment under Voluntary Retirement Scheme**

20,197,809

21,932,374

**Payment of Staff Gratuity under V.R.S.**8,644,35811,603,829**TOTAL**28,842,16733,536,203

# The Anup Engineering Limited

	Rs.	2002-2003 Rs.	2001-2002 Rs.
<b>SCHEDULE '10' : OTHER INCOME:</b>			
Dividend (Gross, Tax deducted Rs. NIL)		7,935	8,295
Income from Units of Unit Trust of India		0	609
Sales Tax Refunds		452,959	1,288,487
Miscellaneous Income		699,912	463,484
Surplus on Sale of Fixed Assets		18,000	0
Sundry Credit Balances appropriated		0	330,149
Provisions no longer required		10,609	0
<b>TOTAL</b>		<b>1,189,415</b>	<b>2,091,024</b>

## SCHEDULE '11' : INCREASE/DECREASE IN STOCKS:

Stocks at Close:			
Work-in-Progress	9,059,485		20,272,794
Finished Goods	<u>1,866,954</u>		<u>6,010,230</u>
		10,926,439	26,283,024
Less : Stocks at Commencement:			
Work-in-Progress	20,272,794		15,183,382
Finished Goods	<u>6,010,230</u>		<u>3,562,962</u>
		26,283,024	18,746,344
(Decrease) Increase	<b>TOTAL</b>	<b>(15,356,585)</b>	<b>7,536,680</b>

## SCHEDULE '12' : MATERIALS:

Raw Materials Consumed:			
Stocks at Commencement	10,527,972		12,422,069
Purchases	<u>37,684,458</u>		<u>43,917,852</u>
		48,212,430	56,339,921
Less : Sales		<u>310,387</u>	<u>1,204,200</u>
		47,902,043	55,135,721
Less : Stocks at Close		<u>8,667,196</u>	<u>10,527,972</u>
<b>TOTAL</b>		<b>39,234,847</b>	<b>44,607,749</b>

## SCHEDULE '13' : MANUFACTURING EXPENSES:

Stores Consumed	2,517,128	3,505,121
Power & Fuel	3,431,331	3,900,952
Job Work Charges	8,736,841	5,753,781
Building Repairs	28,308	11,489
Machinery Repairs	<u>721,829</u>	<u>870,062</u>
<b>TOTAL</b>	<b>15,435,437</b>	<b>14,041,405</b>



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	Rs.	2002-2003 Rs.	2001-2002 Rs.
<b>SCHEDULE '14' : EMPLOYEES' EMOLUMENTS:</b>			
Salaries, Wages, Bonus, Gratuity, etc.		4,365,401	13,497,955
Contribution to Provident & Other Funds		710,102	2,720,854
Welfare Expenses		232,428	415,395
<b>TOTAL</b>		<b>5,307,931</b>	<b>16,634,204</b>

## SCHEDULE '15' : INTEREST AND FINANCE CHARGES: (NET)

Interest :			
On Fixed Loans	1,820,919		1,456,332
Other	3,089,501		4,199,355
		4,910,420	5,655,687
Less : Interest Received (Gross, Tax deducted Rs. 9,777/-, Previous Year Rs.17,268/-)		116,932	663,262
		4,793,488	4,992,425
Bills Discounting Charges		0	57,952
<b>TOTAL</b>		<b>4,793,488</b>	<b>5,050,377</b>

## SCHEDULE '16' : OTHER EXPENDITURE:

Rent		11,878	42,128
Rates & Taxes		236,721	398,057
Insurance		182,728	198,047
Other Repairs		211,981	289,021
Excise Duty on Closing Stock of finished Goods		4,160	258,160
Freight, Octroi etc.		598,201	449,298
Brokerage		448,240	202,045
Auditor's Remuneration		57,503	58,961
Legal & Professional Fees		896,450	721,485
Directors' Fees		18,000	21,000
Travelling Expenses		715,325	859,183
Miscellaneous Expenses		3,440,960	3,657,773
Loss on Sale of Fixed Assets		-	99,326
Late Delivery Charges		67,415	84,868
<b>TOTAL</b>		<b>6,889,562</b>	<b>7,339,352</b>

## SCHEDULE '17' : DEPRECIATION AND OTHER WRITE OFFS:

Amount Written Off against leasehold land		461,670	461,670
Depreciation		2,651,928	2,915,188
<b>TOTAL</b>		<b>3,113,598</b>	<b>3,376,858</b>

# The Anup Engineering Limited

## SCHEDULE '18' : NOTES FORMING PART OF THE ACCOUNTS :

	2002-2003 Rs.	2001-2002 Rs.
<b>1 Contingent Liabilities not provided for in respect of :</b>		
(a) Bills and cheques discounted Since Realised	670,150 670,150	7,392,299 5,817,119
(b) Claims against the Company not acknowledged as Debts	525,545	525,545
(c) Excise demands : Matter decided in favour of the Company by Commissioner of Central Excise (Appeals) against which Dept. has gone in Appeal Other Excise demands - under appeal	2,759,331 40,666	2,759,331 40,666
(d) Municipal Tax demands - matter under appeal	1,142,112	1,142,112
(e) Undertaking to Government for Concessional Customs Duty	1,021,678	1,021,678
1A Estimated amount of Contracts remaining to be executed on Capital account and not provided for	-	-
<b>2 Payment to Auditors:</b>		
i. As Auditors	32,400	31,500
ii. In other capacity : For Tax Audit For Certificate	15,750 7,875	15,750 9,975
iii. For Expenses	1,478	1,736
	<u>57,503</u>	<u>58,961</u>
3 Guarantees given by Company's Bankers are secured by extension of hypothecation charge on Raw-materials, Finished Goods, Work-in-progress, etc. already hypothecated with the Bank and against charge on Fixed Assets of the Company.	15,078,517	15,923,662
<b>4 Raw Materials Consumption and Imported and Indigenous Consumption :</b>		

### (a) Raw Materials Consumption :

	2002-2003		2001-2002	
	Qty.	Rs.	Qty.	Rs.
Metal Sheets & Plates	464 MT.) 65 NOS.)	18,542,775	650 MT.) -)	23,548,725
Metal Pipes & Tubes	28421 Mtrs.	7,197,350	31622 Mtrs.	8,225,070
Structural Materials	18 MT.) 48 Nos.)	842,800	26 MT.) -)	1,415,386
Welding Electrodes	3 MT.) 307035 Nos.)	2,987,329	6 MT.) 290953 Nos.)	3,233,783
Components		<u>9,664,593</u>		<u>8,184,785</u>
TOTAL..		<u>39,234,847</u>		<u>44,607,749</u>

### (b) Imported & Indigenous Raw Materials Consumption :

	2002-2003		2001-2002	
	Rs.	Percentage	Rs.	Percentage
Imported	251,400	0.64%	388,516	0.87%
Indigenous	38,983,447	99.36%	44,219,233	99.13%
TOTAL	<u>39,234,847</u>	<u>100.00%</u>	<u>44,607,749</u>	<u>100.00%</u>

## SCHEDULE '18' : NOTES FORMING PART OF THE ACCOUNTS : (CONTD.)

## 5. Licensed &amp; Installed Capacity, Production, Stocks &amp; Turnover:

## (a) Licensed &amp; Installed Capacity &amp; Production:

CLASS OF GOODS	LICENSED CAPACITY		*INSTALLED CAPACITY		PRODUCTION (INCL. LABOUR JOBS)	
	2002-2003	2001-2002	2002-2003	2001-2002	2002-2003	2001-2002
Chemical & Pharmaceutical Machinery	1900 MT.	1900 MT.	1900 MT.	1900 MT.	847 MT.	655 MT.
Industrial Centrifuges	100 Nos.	100 Nos.	100 Nos.	100 Nos.	4 Nos.	- Nos.
**Dairy Machinery & Equipments	Rs.125 Lacs	Rs.125 Lacs				
Expansion Joints & Bellows	130 MT.	130 MT.	130 MT.	130 MT.	9 MT.	1 MT.
**Soda Ash Plant Equipments & Components	Rs.100 Lacs	Rs.100 Lacs				
Textile Machinery (including accessories)	25 Nos.	25 Nos.				

\* As certified by the Chief Executive Officer and being a technical matter, accepted by the Auditors, as correct.

\*\* As the Licences are in Rupee Value, no quantitative information is given.

## (b) Stocks &amp; Turnover :

CLASS OF GOODS	STOCKS AT COMMENCEMENT		STOCKS AT CLOSE		TURNOVER	
	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.
Chemical & Pharmaceutical Machinery						
2002-2003	25	5,603,813	4	1,460,737	716	57,396,018 ✓
2001-2002	10	3,156,745	25	5,603,813	637	67,771,153
Industrial Centrifuges						
2002-2003	1	399,273	1	399,273	4	9,341,480 ✓
2001-2002	1	399,273	1	399,273	-	-
*Dairy Machinery & Equipments						
2002-2003		-		-		-
2001-2002		-		-		-
Expansion Joints & Bellows						
2002-2003	1	6,944	1	6,944	46	2,296,075 ✓
2001-2002	1	6,944	1	6,944	13	316,622
*Soda Ash Plant, Equip. & Components						
2002-2003		-		-		-
2001-2002		-		-		-
Other						
2002-2003		-		-		5,694,651 ✓
2001-2002		-		-		6,132,789
TOTAL						
2002-2003		6,010,030		1,866,954		74,728,224
2001-2002		3,562,962		6,010,030		74,220,564

\* As the Licences are in Rupee value, no quantitative information is given.

## 6. C.I.F. Value of Imports, Expenditure &amp; Earnings in Foreign Currencies:

	2002-2003	2001-2002
	Rs.	Rs.
(a) C.I.F. Value of Imports:		
Raw Materials	52,775	3,41,208
(b) Expenditure in Foreign Currency:		
Other Matters	-	-
(c) Earnings in Foreign Currency:		
F.O.B. Value of Exports	71,449	28,05,575
Other	-	-

# The Anup Engineering Limited

## SCHEDULE '18' : NOTES FORMING PART OF THE ACCOUNTS : (CONTD.)

### 7. CUSTOMS DUTY:

Import duty payable on goods lying in Customs Bonded Warehouse will, as per the Company's practice, be accounted on clearance of goods. Such liability as at 31st March, 2003 is estimated at Rs.18,14,919/- (Previous year Rs.18,14,919/-). This accounting policy has no impact on the loss for the year.

### 8. TAXATION:

- (a) In absence of taxable income, no provision for Income tax has been made in the Accounts.  
(b) Deferred Taxation

	Accumulated as on 31.03.2002 (Rs.)	Charge/ Crédit for the year (Rs.)	As on 31.03.2003 (Rs.)
Deferred Tax Liability on account of :			
i. Depreciation	2,030,363	(355,422)	1,674,941
ii. Deferred Revenue	3,348,908	8,268	3,357,176
iii. Gratuity	3,225,348	(1,062,600)	2,162,748
	8,604,619	(1,409,754)	7,194,865
Deferred Tax Asset on account:			
i. Expenses allowable to tax purpose when paid	258,619	60,542	319,161
ii. Unabsorbed depreciation	376,374	272,593	648,967
iii. Carry forward of losses	20,086,592	7,367,300	27,453,892
	20,721,585	7,700,435	28,422,020
Net deferred tax Liability/ (Assets)	12,116,966	9,110,189	21,227,155

Company has been registered as relief undertaking with Board for Industrial and Financial Reconstruction (BIFR) under Sick Industrial Companies (Special Provision) Act, 1985.

As directed by BIFR, Draft Rehabilitation Scheme has been submitted by the Company. As indicated in the Rehabilitation Scheme submitted by the Company, unabsorbed depreciation and carry forward of losses will be absorbed in future years. Accordingly the Company has, pursuant to Accounting standard AS-22 'Accounting for taxes on Income', recognized deferred tax effects thereof.

### 9. RELATED PARTY INFORMATION:

- A. Name of related party and nature of relationship:

Sr. No.	Name of the related party	Description of the relationship
1.	Mr.P.G.Shah	Chief Executive Officer
2.	M/s.Unnati Engineers P.Ltd.	Chief Executive Officer is a Director

- B. Transactions with related parties:

Sr. No.	Name of the related party	Relationship	Nature of transactions	Amount Rs.		Outstanding Balance Rs.	
				2002-2003	2001-2002	2002-2003	2001-2002
1	M/s.Unnati Engineers Pvt.Ltd.	Chief Executive Officer is a Director	Purchase	-	99,527/-	-	99,527/-

- C. There are no provisions for doubtful debts or amounts written off or written back in respect of debts due to or due from Related parties.  
D. Related party relationship is as identified by the Company on the basis of information available with them and relied upon by the Auditors.

## SCHEDULE '18' : NOTES FORMING PART OF THE ACCOUNTS : (CONTD.)

## 10. EARNING PER SHARE:

	31-03-2003	31-03-2002
	Rs.	Rs.
Loss for the year attributable to the Equity Shareholders	(85,02,928)	(1,48,66,410)
Basic/Weighted average number of Equity Shares outstanding during the year	1,40,000	1,40,000
Normal Value of Equity Share	Rs.100/-	Rs.100/-
Basic & Diluted earning per Share	(-) Rs.60.73	(-) Rs.106.19

## 11. SMALL SCALE INDUSTRIAL UNDERTAKINGS DUES:

- (a) Disclosure under Sundry Creditors is based on the information available with the Company regarding the status of suppliers as defined under the "Interest on Delayed Payments to small Scale and Ancillary Industrial Undertaking Act, 1993".

Amounts overdue and remaining unpaid to small scale and/or ancillary Industrial suppliers principal Rs.4,20,751/- and interest Rs.Nil at the close of the year.

- (b) Names of Small Scale Industrial Undertakings in whose account any amount was outstanding for more than 30 days are as under :

Chaudhary Hammer Works, C.D. Industries, Divine Laboratory, Electro Service, Fluoroscapy Techniques Laboratory, Heatex Tools Pvt.Ltd., IGP Engineers Pvt.Ltd., Kartikeya Industries, Kunj Forgings, Madras Industrial Products, OSNA Electronics P.Ltd., Steelfit Engineering Co., SPM Engineers, Selvas Photographics Ltd., Vadilal Chemicals Ltd., Wellbore Engineering Co., Wellplain Engineering Co.

12. Leasehold land rights and Buildings of the Company have been revalued as on 1st April, 1998, and said revaluation has resulted in net increase of Rs.15,33,89,545/- in the book value which was transferred to Revaluation Reserve.
13. Company extends the benefits of encashment of leave to its employees while in service as well as on retirement. As the Company does not have any defined retirement scheme in this regard, Accounting Standard AS-15 issued by the Institute of Chartered Accountants of India is not considered applicable. Encashment of Leave accumulated while in service is at the option of employee and is accounted for as and when claimed, hence not accounted for.
14. Significant Accounting Policies followed by the Company are as stated in the Statement annexed to this Schedule as Annexure-I.
15. Information required in terms of Part-IV of Schedule-VI to the Company's Act, 1956 is attached.
16. Previous year's figures have been regrouped and recast wherever necessary.
17. Cash flow statement for the year is annexed to this Schedule as Annexure-II.

## Signatures to Schedules '1' to '18'

As per our attached report of even date.

For and on behalf of  
**DALAL & SHAH**  
Chartered Accountants  
B.R.SHAH  
Partner.  
(Membership No.5806)  
Ahmedabad.  
27th June, 2003

**SAMVEG A. LALBHAI**  
CHAIRMAN

For and on behalf  
of the Board of Directors  
**ARUN P. SHETH**  
**SHREYAS C. SHETH**  
DIRECTORS

Ahmedabad.  
27th June, 2003

# The Anup Engineering Limited

ANNEXURE-I REFERRED TO IN NOTE 14 IN SCHEDULE 18 TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2003.

## STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

### 1. SYSTEM OF ACCOUNTING :

- i) The Company, generally, follows the mercantile system of accounting and recognises income and expenditure on an accrual basis, except those with significant uncertainties.
- ii) Financial statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money except in case of Leasehold Land Rights and Buildings, which are revalued as on 1st April, 1998 and resultant surplus is credited to Revaluation Reserve.

### 2. FIXED ASSETS AND DEPRECIATION :

#### (A) FIXED ASSETS

Fixed Assets are carried at cost of acquisition or construction including incidental expenses related to acquisition and installation of concerned assets, less accumulated depreciation and amortisation.

#### (B) DEPRECIATION AND AMORTISATION :

- (a) Lease hold Land:  
Premium on lease hold land is amortised over the period of lease.
- (b) Other Fixed Assets :
  - (i) Depreciation is provided on 'Straight line basis' in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956. (vide note (ii) & (iii) below).
  - (ii) Depreciation on additions to assets upto 31st March, 1988, is being provided on 'Straight line basis' pursuant to the Circular No.1/1/86-CLV No.15(50)84 CL VI dated 21.5.1986 issued by the Department of Company Affairs, at the rates corresponding to the rates applicable under the Income-tax Rules as in force at the time of acquisition/installation without considering the extra and multiple shift allowances, as per legal advice.
  - (iii) Depreciation on additions to the Assets on or after 1st April, 1988 is being provided at the rates (inclusive of multiple shift) in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956.
  - (iv) Depreciation on assets sold, discarded or demolished is being provided upto the month of Sale, discarding or demolition of said assets.
  - (v) Depreciation and lease hold land write offs on revalued assets are calculated on their respective book value at the rates considered applicable by the valuers. However, the difference between the depreciation and lease hold land write offs on revalued book values of Fixed Assets and original cost is withdrawn from the Revaluation Reserve and credited to the Profit and Loss Account.

### 3. INVESTMENTS :

Investments are valued at cost of acquisition.

### 4. INVENTORIES :

- i) Stores, Spares etc. are valued at cost.
- ii) Raw Materials and Work-in-Progress are valued at cost or net realisable value whichever is lower.
- iii) Finished Goods are valued at cost or net realisable value whichever is lower including excise duty.
- iv) Obsolete & unserviceable stocks are valued at estimated realisable value.
- v) Goods in transit and in Bonded Warehouse are stated at actual cost upto the date of the Balance Sheet.

**5. EXCHANGE FLUCTUATIONS :**

Current Assets and Liabilities in Foreign Currency outstanding at the close of the Financial year are valued at the appropriate exchange rates at the close of the year. The loss or gain due to fluctuation of exchange rates is charged to Profit and Loss Account.

**6. RETIREMENT BENEFITS :**

- i) Retirement benefits in the form of Provident Fund and Superannuation/Pension Scheme whether in pursuance of any law or otherwise, is accounted on accrual basis and charged to the Profit and Loss Account for the year.
- ii) Provision for the contribution to the Employees Gratuity Trust Fund is based on actuarial valuation carried out at the close of the year.  
Additional contribution to Gratuity Trust on account of out going employees is being amortised over a period of 48 months commencing from the month of payment.
- iii) Payments for Early Voluntary Retirements:  
Payments to the Voluntarily retiring employees are being amortised over the period of future benefit as estimated by the management. Amortisation for the payments made during 1998-1999 and 2001-2002 is over a period of 48 months commencing after completion of 24 months from the date of payment.

**7. LEAVE ENCASHMENT :**

The Company has no retirement benefits consisting of "Leave Encashment Benefit on Retirements" as the employees of the Company can encash unavailed leave during the period of service in accordance with company's rules and regulations, in this regard. The same is, therefore, accounted on payment basis.

**8. TAXATION :**

Income-tax expense Comprises current tax and Deferred tax charges/credit. Provision for current tax is made on the assessable income as the tax rate applicable to the relevant assessment year. The Deferred tax Asset and Deferred tax Liability is calculated by applying tax rates and tax laws that have been enacted or substantively enacted by the Balance sheet date. Deferred tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws; are recognized only if there is virtual certainty of its realization, supported by convincing evidence. Deferred tax Assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date the carrying amount of Deferred tax Assets is being reviewed to reassure realization.

# The Anup Engineering Limited

## ANNEXURE-II REFERRED TO IN NOTE '17' IN SECHEDULE 18 TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2003. CASH FLOW STATEMENT

	2002-2003		2001-2002		(Rs.in Lacs)
	Rs.	Rs.	Rs.	Rs.	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>					
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		(17,629,005)		(14,864,298)	
Adjustment for :					
Depreciation	3,113,598		3,376,858		
Less : Transferred from Revaluation Reserve	<u>1,659,191</u>		<u>1,659,191</u>		
	1,454,407		1,717,667		
Interest (Net)	4,793,488		5,050,377		
Dividend/Income from Units (See Sch.10)	<u>(7,935)</u>		<u>(8,904)</u>		
		6,239,960		6,759,140	
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(11,389,045)		(8,105,158)	
Adjustment for :					
Trade & Other Receivables	(3,619,618)		7,278,889		
Inventories (See Sch. 7)	17,216,942		(5,470,291)		
Trade Payables (See Sch. 8)	(20,926,098)		615,396		
Deferred Revenue Exps. (See Sch. 9)	<u>4,694,036</u>		<u>(24,302,086)</u>		
		(2,634,738)		(21,878,092)	
CASH GENERATED FROM OPERATIONS :		(14,023,783)		(29,983,250)	
Interest Paid		4,910,420		5,713,639	
CASH FLOW BEFORE EXTRA ORDINARY ITEMS		(18,934,203)		(35,696,889)	
Extra Ordinary Item					
NET CASH FROM OPERATING ACTIVITIES		(18,934,203)		(35,696,889)	
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>					
Purchase of Fixed Assets (See Sch.5)		(1,630)		(14,560)	
Sales of Fixed Assets		18,001		197,437	
Leasehold land written off		(2,112)		(2,112)	
Interest Received		116,932		663,262	
Sale of Investments (See Sch.6)		45,000		0	
Dividend/Income from Units		<u>7,935</u>		<u>8,904</u>	
NET CASH USED IN INVESTING ACTIVITIES		184,126		852,931	



## CASH FLOW STATEMENT

	2002-2003		(Rs.in Lacs) 2001-2002	
	Rs.	Rs.	Rs.	Rs.
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Total proceeds from borrowings		17,445,949		35,426,371
(Net of repayments) (See Sch.3 & 4)				
Net Increase/Decrease in Cash & Cash equivalents		-1,304,128		582,413
CASH & CASH EQUIVALENTS AS AT 1.4.2002 (OPENING BALANCE)		3,005,608		2,423,195
CASH & CASH EQUIVALENTS AS AT 31.3.2003 (CLOSING BALANCE)		1,701,480		3,005,608

For and on behalf of  
**DALAL & SHAH**  
Chartered Accountants  
B.R.SHAH  
Partner.  
(Membership No.5806)  
Ahmedabad.  
27th June, 2003

**SAMVEG A. LALBHAI**  
CHAIRMAN

For and on behalf  
of the Board of Directors  
**ARUN P. SHETH**  
**SHREYAS C. SHETH**  
DIRECTORS

Ahmedabad.  
27th June, 2003

## AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statement of The Anup Engineering Limited for the year ended 31st March, 2003. The statement has been prepared by the Company in accordance with the requirement of Listing Agreement Clause 32 with Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 27-6-2003, to the members of the Company and reallocation required for the purpose are as made by the Company.

Ahmedabad.  
27th June, 2003

For and on behalf of  
**DALAL & SHAH**  
Chartered Accountants

**B.R.SHAH**  
Partner.  
(Membership No. 5806)

# The Anup Engineering Limited

INFORMATION REFERRED TO IN NOTE 15 IN SCHEDULE 18 TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2003

## Part-IV of Schedule VI of Companies Act, 1956 (As amended) Balance Sheet Abstract and Company's General Business Profile

### I. Registration Details :

Registration No.

State Code :

Balance Sheet Date :

001170

04

31.03.2003

### II. Capital Raised during the Year

Public Issue

Right Issue

Bonus Issue

Private Placement

(Rs.in Lacs)

NIL

NIL

NIL

NIL

### III. Position of Mobilisation and Deployment of Funds

Total Liabilities

Total Assets

2466.47

2466.47

Sources of Funds:

Paid-up Capital

Reserve & Surplus

Secured Loans

Unsecured Loans

140.00

1240.05

369.18

717.24

Application of Funds:

Net fixed Assets

Investments

Net Current Assets

Misc.Expenditure

Accumulated Losses

Deferred Tax Assets (Net)

1527.25

0.00

144.62

288.42

293.91

212.27

### IV. Performance of Company

Turnover (Incl.other income)

Total Expenditure

Loss before Tax

Loss after Tax

Earning Per Share in Rs.

Dividend Rate %

891.80

1067.93

176.13

85.03

(-) 60.73

NIL

### V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No.(ITC Code)

Product Description

Item Code No.(ITC Code)

Product Description

Item Code No.(ITC Code)

Product Description

841989.01

Pressure Vessels, Reactors

842119.02 & 842119.07

Centrifuges

731100.09

Chlorine Containers

## NOTICE

NOTICE is hereby given that the 40th Annual General Meeting of the Members of the Company will be held on Monday, the 16th September, 2003 at 9:30 a.m. at Ahmedabad Textile Mill's Association Hall, Ashram Road, Ahmedabad-380 009, to transact the following business :

### ORDINARY BUSINESS

1. To receive consider and adopt the audited Balance Sheet as at 31st March, 2003 and Profit and loss account for the year ended on that date and the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Chandrakant T. Parikh, who retires by rotation under Article 129 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

Registered Office:

Behind 66 KV Electric Sub Station,  
Odhav Road, Ahmedabad-382 415.  
27th June, 2003

By Order of the Board,  
SAMVEG A. LALBHAI  
CHAIRMAN

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER.
2. Printed copies of Annual Report for 2002-2003 is enclosed herewith.
3. The Register of Members and Share Transfer Books will be closed from Thursday, 14th August, 2003 to Thursday, 21st August, 2003 (both days inclusive) for the purpose of ascertaining the validity of transfers deeds.
4. Members are requested to bring their copies of the Annual Report to the meeting.

Form of Proxy

## THE ANUP ENGINEERING LIMITED

Regd. Office : B/h. 66 KV Electric Sub. Station, Odhav Road, Ahmedabad-382 415

I/We

of \_\_\_\_\_ in the District of \_\_\_\_\_

being a member/members of the above named Company hereby appoint Shri

of \_\_\_\_\_ in the District of \_\_\_\_\_

or failing him Shri

of \_\_\_\_\_ in the District of \_\_\_\_\_

or failing him Shri

of \_\_\_\_\_ in the District of \_\_\_\_\_

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 16th September, 2003 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2003

Membership No. :

No. of Shares held :

Signature \_\_\_\_\_

Affix  
Re.1  
Revenue  
Stamp

Note : (1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. (2) A proxy need not be a member. (3) The form thus completed should be deposited at the Registered Office of the Company, at Behind 66 KV Electric Sub Station, Odhav Road, Ahmedabad-382 415 by 9.30 A.M. on or before 15th September, 2003.

*If Undelivered please return to :*

**THE ANUP ENGINEERING LIMITED**

Behind 66 KV Elec. Sub-Station,  
Odhav Road, Ahmedabad-382 415