

Annual Report 2003-2004

THE ANUP ENGINEERING LIMITED







# The Anup Engineering Limited

## 6. 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.

## 7. 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.

## 8. 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.

## 9. DIRECTORS :

Shri Arun P. Sheth and Shri Shreyas C. Sheth retire by rotation and being eligible, offer themselves for re-election.

## 10. 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.

## 11. APPRECIATION:

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: 29th June, 2004

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, 2004. 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.
  - b) Register of Directors.
  - c) Register of Director's Shareholdings.
  - d) Register of Charges.
  - e) Register of Investments.
  - f) Register of Shares Transfers.
  - g) Register of Contracts.

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>
24/07/2003	Statement in Lieu of Advertisement.
09/10/2003	Balance Sheet as at 31/03/2002.
05/11/2003	Annual Return made upto 16/09/2003.

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 27/06/2003, 25/07/2003, 23/10/2003, 22/01/2004, in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

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5. The Company has closed its Register of Members, from 14/08/2003 to 21/08/2003 (Both days inclusive).
6. The Annual general meeting for the year ended 31/03/2003 was held on 16/09/2003 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 : 29/06/2004

(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 :

	2003-2004	2002-2003
<b>1. (a) Electricity :</b>		
Units	5,38,680	4,02,910
Total Amount (Rs.)	31,77,153	25,09,531
Rate/Unit (Rs.)	5.90	6.23
<b>(b) Own Generation :</b>		
(Through Diesel Generator)		
Units	32,544	21,108
Total Amount (Rs.)	2,99,568	2,35,704
Rate/Unit (Rs.)	9.20	11.16
<b>2. Furnace Oil :</b>		
Qty (Liters)	70,823	57,000
Cost	9,04,405	8,86,096
Rate per.	12.77	12.03

#### 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 :

	2003-2004 (Rs.in Lacs)	2002-2003 (Rs.in Lacs)
Capital		
Recurring	6.94	5.67
Total	6.94	5.67
Total R&D Expenditure as % of Total Turn Over	0.57	0.64

#### 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, 2004 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.

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.

4) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report 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, 2004 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2004 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 Note No. 13 – relating to accounting of leave encashment liability and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required, give a true and fair view in conformity with the accounting principles generally accepted in India.

a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2004;

b. in the case of the Profit and Loss Account, of the Profit before provision for doubtful debts for the year ended on that date; and

c. In the case of the Cash Flow Statement of the Cash Flows for the year ended on that date.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, 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. (a) The Company has generally maintained proper records showing particulars including quantitative details and situation of fixed assets;

(b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its business. No material discrepancies were noticed on such verification.

(c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern status.

ii. (a) As explained to us, inventories have been physically verified during the year by the management.

## The Anup Engineering Limited

- (b) The procedures explained to us, which are followed by the management for physical verification of inventories, are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business;
  - (c) On the basis of our examination of the inventory records of the Company, we are of the opinion that, the Company is maintaining proper records of its inventory. Discrepancies, which were noticed on physical verification of inventory as compared to book records, have been properly dealt with in the books of account;
- iii. (a) According to information and explanations given to us the Company has taken unsecured loan from one company covered in the register maintained under section 301 of the Companies Act 1956. Maximum amount involved during the year was Rs.1,03,60,685/- and the year end balance of loan taken from such party was Rs.77,50,548/-. The Company has not taken any loan secured or unsecured from firms or other parties covered in the register maintained under section 301 of the Companies Act 1956.
- (b) According to the information and explanations given to us, the Company has not granted any loan secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from a company listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- (d) In respect of loan taken by the Company, the interest payments are regular and principal amount is repayable on demand.
- (e) As the loan taken is repayable on demand, the question of over due amounts does not arise.
- iv. In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods. During the course of our previous assessment, no major weakness in internal control, had come to our notice;
- v. (a) On the basis of the audit procedures performed by us, and according to the information, explanations and representations given to us, we are of the opinion that, the transactions in which directors were interested and which were required to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered;
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contract or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at that time;
- vi. The company has not accepted any deposits from the Public to which the directives issued by the Reserve Bank of India and the provisions of Section 58A of the Act and the rules framed there under apply.
- vii. In our opinion the company has an adequate internal audit system commensurate with the size of the company and the nature of its business;
- viii. 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,
- ix. (a) According to the records of the Company, it has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Custom Duty, Excise Duty, Cess and other statutory Dues with the appropriate authorities. According to the explanation given to us there are no arrears of statutory dues which has remained outstanding at the last date of financial year, for a period of more than six months from the date they became payable.

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- (b) According to the information and explanations given to us and on the basis of our examination of the documents and records the disputed statutory dues which have not been deposited with the appropriate authorities are as under:

Nature of Statute	Nature of Dues	Period to relates which amount	Amount Rs.	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty on Job Work Charges	1980-81	1,69,538/-	High Court of Gujarat
TOTAL			1,69,538/-	

- x. In our opinion, the accumulated losses of the Company are more than fifty per cent of its net worth. The Company has not incurred cash losses during the period covered by our report but has incurred cash losses in the immediately preceding financial year;
- xi. In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of any dues to bank;
- xii. As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities;
- xiii. In our opinion, the company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society. Therefore the provision of clause 4(xiii) of the Companies ( Auditor's report ) order , 2003 are not applicable to the Company.
- xiv. The company is not dealing or trading in shares, securities, debentures and other investments;
- xv. According to information and explanations given to us, and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution;
- xvi. The Company has not taken any term loan during the year.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investments. No long-term funds have been used to finance short term assets except working capital.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956;
- xix. On the basis of the records and documents examined by us, the Company has not issued any secured debentures during the year;
- xx. The Company has not raised any money by public issue, during the year;
- xxi. According to the information and explanations given to us, and to the best of our knowledge and belief, no fraud on or by the Company, has been noticed or reported by the Company during the year.

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

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

Ahmedabad.  
Date : 29th June, 2004.

# The Anup Engineering Limited

## BALANCE SHEET AS AT 31ST MARCH, 2004

	Schedule	Rs.	31st March, 2004 Rs.	31st March 2003 Rs.
<b>I. SOURCES OF FUNDS:</b>				
(1) Shareholders' Funds:				
(a) Capital	1	14,000,000		14,000,000
(b) Reserves & Surplus	2	<u>114,756,574</u>		<u>124,005,243</u>
			128,756,574	<u>138,005,243</u>
(2) Loan Funds:				
(a) Secured Loans	3	42,796,405		36,918,684
(b) Unsecured Loans	4	<u>68,815,939</u>		<u>71,723,608</u>
			<u>111,612,344</u>	<u>108,642,292</u>
		<b>TOTAL</b>	<u>240,368,918</u>	<u>246,647,535</u>
<b>II. APPLICATION OF FUNDS:</b>				
(1) Fixed Assets:				
(a) Gross Block		194,819,543		203,667,116
(b) Less : Depreciation		<u>52,451,982</u>		<u>50,942,482</u>
(c) Net Block	5		142,367,561	152,724,634
(2) Investments	6			-
(3) Deferred Tax Assets (Net) (See Note 8)			<u>26,634,132</u>	21,227,155
(4) Current assets, Loans and Advances :	7			
(a) Inventories		72,844,870		23,525,285
(b) Sundry Debtors		20,901,882		13,589,830
(c) Cash and Bank Balances		2,723,283		1,701,480
(d) Loans and Advances		<u>8,665,398</u>		<u>2,481,817</u>
		<u>105,135,433</u>		<u>41,298,412</u>
Less : Current Liabilities and Provisions :	8			
(a) Liabilities		82,214,149		26,835,827
(b) Provisions		<u>888,549</u>		-
		<u>83,102,698</u>		<u>26,835,827</u>
Net Current Assets			22,032,735	14,462,585
(5) (a) Miscellaneous Expenditure: (To the extent not written off or adjusted)				
Deferred Revenue Expenditure	9	<u>20,063,947</u>		<u>28,842,167</u>
(b) Profit and Loss Account :				
Debit balance as per Annexured Account		<u>29,470,543</u>		29,590,994
Less : General Reserve, Per Contra		<u>200,000</u>		200,000
		<u>29,270,543</u>		<u>29,390,994</u>
			<u>49,334,490</u>	<u>58,233,161</u>
		<b>TOTAL</b>	<u>240,368,918</u>	<u>246,647,535</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.  
 29th June, 2004.

**SAMVEG A. LALBHAI**  
 CHAIRMAN

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

Ahmedabad.  
 29th June, 2004

## PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2004

	Schedule	Rs.	2003-2004 Rs.	2002-2003 Rs.
<b>INCOME:</b>				
Sales		116,159,032		74,728,224
Fabrication Charges		<u>4,749,112</u>		<u>13,262,808</u>
		120,908,144		87,991,032
Less : Excise Duty		<u>15,659,783</u>		<u>11,990,607</u>
Other Income	10		105,248,361	76,000,425
			<u>3,838,975</u>	<u>1,189,415</u>
Increase/Decrease in Stocks	11		109,087,336	77,189,840
			<u>40,399,854</u>	<u>(15,356,585)</u>
			149,487,190	61,833,255
<b>EXPENDITURE:</b>				
Raw Materials Consumed	12		98,166,720	39,234,847
Manufacturing Expenses	13		25,453,620	15,435,437
Employees' Emoluments	14		6,192,375	5,307,931
Interest and Finance Charges	15		<u>5,721,926</u>	4,793,488
Deferred Revenue Expenditure Written Off			<u>8,778,220</u>	6,330,700
Other	16		8,362,697	6,889,562
Depreciation & Other Write Offs	17	2,938,318		3,113,598
Less : Transferred from Revaluation Reserve		<u>1,675,018</u>		<u>1,659,191</u>
			<u>1,263,300</u>	<u>1,454,407</u>
			153,938,858	79,446,372
Loss before Taxation and Provision for doubtful debts			(4,451,668)	(17,613,117)
Provision for Taxation :				
Current Tax		(400,000)		-
Deferred Tax (See Note 8)		<u>5,406,977</u>		<u>9,110,189</u>
			<u>5,006,977</u>	<u>9,110,189</u>
Profit/Loss for the year before provision for doubtful debts			555,309	(8,502,928)
Tax adjustment previous year			(25,064)	-
Provision for leave encashment relating to earlier year (See Note 13)			<u>(409,794)</u>	<u>-</u>
			120,451	(8,502,928)
As per last Account			(29,590,994)	(33,205,032)
Deferred Tax Assets (Net)-as on 31.03.2002 (See Note 8)			-	<u>12,116,966</u>
Balance carried to Balance Sheet			<u>29,470,543</u>	<u>(29,590,994)</u>
Notes forming part of the Accounts	18			
(Basic/diluted earning per share)(See Note 10)			Rs. 0.86	(-) Rs.60.73

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.  
29th June, 2004

**SAMVEG A. LALBHAI**  
CHAIRMAN

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

Ahmedabad.  
29th June, 2004

# The Anup Engineering Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2004 (Pursuant to listing agreement with stock exchange)

	2003-2004		(Rs.in Lacs) 2002-2003	
	Rs.	Rs.	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		(5,798,623)		(17,629,005)
Adjustment for Depreciation	1,263,300		1,454,407	
Interest (Net)	5,721,926		4,793,488	
Dividend/Income from Units	—		(7,935)	
		6,985,226		6,239,960
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		1,186,603		(11,389,045)
Adjustment for:				
Trade & Other Receivables	(13,495,633)		(3,619,618)	
Inventories	(49,319,585)		17,216,942	
Trade Payables	39,806,581		(20,926,098)	
Deferred Revenue Exps.	8,778,220		4,694,036	
		(14,230,417)		(2,634,738)
CASH GENERATED FROM OPERATIONS :		(13,043,814)		(14,023,783)
CASH FLOW BEFORE EXTRA ORDINARY ITEMS		(13,043,814)		(14,023,783)
Extra Ordinary Item		—		—
NET CASH USED IN OPERATING ACTIVITIES		(13,043,814)		(14,023,783)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Advance towards Sale of Land	16,460,290		—	
Purchase of Fixed Assets	(231,512)		(1,630)	
Sales of Fixed Assets	590,825		18,001	
Leasehold land written off	(2,112)		(2,112)	
Interest Received	173,840		116,932	
Sale of Investments	—		45,000	
Dividend/Income from Units	—		7,935	
NET CASH USED IN INVESTING ACTIVITIES		16,991,331		184,126
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Total proceeds from borrowings (Net of repayments)	2,970,052		17,445,949	
Interest Paid	5,895,766		4,910,420	
NET CASH USED IN FINANCIAL ACTIVITIES		(2,925,714)		12,535,529
Net Increase/Decrease in Cash & Cash equivalents		1,021,803		(1,304,128)
CASH & CASH EQUIVALENTS AS AT 1.4.2003 (OPENING BALANCE)		1,701,480		3,005,608
CASH & CASH EQUIVALENTS AS AT 31.3.2004 (CLOSING BALANCE)		2,723,283		1,701,480

For and on behalf of  
**DALAL & SHAH**  
 Chartered Accountants  
 B.R.SHAH  
 Partner.  
 (Membership No.5806)  
 Ahmedabad.  
 29th June, 2004

**SAMVEG A. LALBHAI**  
 CHAIRMAN

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

Ahmedabad.  
 29th June, 2004

## ANNUAL REPORT

### 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, 2004

	31st March, 2004 Rs.	31st March 2003 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.Machiniefabriek 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>		
CAPITAL RESERVE	1,075	1,075
<b>REVALUATION RESERVE :</b>		
As per last Account	124,002,248	125,661,439
Less : Adjustment on account of demolition of Buildings	7,573,651	-
Less : Transferred to Profit & Loss Account	<u>1,675,018</u>	<u>1,659,191</u>
	114,753,579	124,002,248
SECURITY PREMIUM ACCOUNT	1,920	1,920
<b>GENERAL RESERVE :</b>		
As per last Account	200,000	200,000
Less : Deducted from Profit and Loss Account, Per <u>Contra</u>	<u>200,000</u>	<u>200,000</u>
<b>TOTAL</b>	<u>114,756,574</u>	<u>124,005,243</u>

# The Anup Engineering Limited

31st March, 2004  
Rs.

31st March 2003  
Rs.

## SCHEDULE '3' : SECURED LOANS:

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	3,311,202	
Corporate Loan	<u>3,061,091</u>	
	6,372,293	3,974,755
		<u>15,065,83</u>
		19,040,591

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		36,424,112
	<b>TOTAL</b>	<u>42,796,405</u>
		<u>17,878,093</u>
		<u>36,918,684</u>

## SCHEDULE '4' : UNSECURED LOANS:

From Joint Stock Companies

		68,815,939
	<b>TOTAL</b>	<u>71,723,608</u>
		<u>71,723,608</u>

## SCHEDULE '5' : FIXED ASSETS

Fixed Assets	GROSS BLOCK(a)					DEPRECIATION			NET BLOC	
	As at 31-3-2003	Additions	Deductions	As at 31-3-2004	Upto 31-3-2003	Recouped & Adjustment	For the Year	Upto 31-3-2004	As at 31-3-2004	As at 31-3-2003
Land Leasehold	116791650	0	461670	116329980	0	0	0	0	116329980	116791650
Buildings	41286295	0	8564619	32721676	11415928	918699	1367368	11864597	20857079	29870367
Machinery	40868262	225012	44685	41048589	35442001	44685	1000536	36397852	4650737	5426261
Electric Installations	1768003	0	0	1768003	1768003	0	0	1768003	0	0
Tube Well	119104	0	0	119104	49680	0	1951	51631	67,473	69424
Furniture & Deadstock	2159560	6500	8111	2157949	1727423	3764	82485	1806144	351,805	432137
Drawings	100000	0	0	100000	100000	0	0	100000	0	0
Vehicles	574242	0	0	574242	439447	0	24,308	463755	110,487	134795
<b>Total</b>	<b>203667116</b>	<b>231512</b>	<b>9079085</b>	<b>194819543</b>	<b>50942482</b>	<b>967148</b>	<b>2476648</b>	<b>52451982</b>	<b>142367561</b>	<b>152724634</b>
Previous Year's Total	204170521	1630	505035	203667116	48333918	43364	2651928	50942482	152724634	

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

	Rs.	31st March, 2004 Rs.	31st March 2003 Rs.
<b>SCHEDULE '6' : INVESTMENTS; AT COST:</b>			
<b>In Government and Trust Securities :</b>			
72	7.65% Bonds of Rs. 100/- each of Unit Trust of India (received during the year on conversion of Bonus Units of Unit Trust of India)	—	—
	<b>TOTAL</b>	<u>—</u>	<u>—</u>
<b>SCHEDULE '7' : CURRENT ASSETS, LOANS AND ADVANCES :</b>			
<b>(a) Inventories:</b>			
	Stores & Spares, at cost	3,727,353	2,828,620
	Obsolete & Unserviceable Stores & Spares, at estimated realisable value	<u>6,943</u>	<u>6,943</u>
		3,734,296	2,835,563
	Stock-in-Trade : at cost or net realisable value whichever is lower (unless otherwise stated)		
	Raw Materials	16,663,646	8,642,648
	Obsolete & Unserviceable Raw materials, at estimated realisable value	<u>24,548</u>	<u>24,548</u>
		16,688,194	8,667,196
	Work-in-Progress	49,491,620	9,059,485
	Finished Goods	<u>1,834,673</u>	<u>1,866,954</u>
		68,014,487	19,593,635
	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	72,844,870	23,525,285
<b>(b) Sundry Debtors, Unsecured:</b>			
<b>(i) Outstanding for more than six months:</b>			
	Good	3,732,680	1,977,548
	Doubtful	5,454,455	5,455,955
	Less: Provision	<u>281,758</u>	<u>281,758</u>
		5,172,697	5,174,197
		8,905,377	7,151,745
<b>(ii)</b>	Other, Good	<u>11,996,505</u>	<u>6,438,085</u>
		20,901,882	13,589,830
	<b>Carried Over</b>	<u>93,746,752</u>	<u>37,115,115</u>

# The Anup Engineering Limited

	Rs.	31st March, 2004 Rs.	31st March 2003 Rs.
<b>Brought Over</b>		<b>93,746,752</b>	<b>37,115,115</b>
<b>(c) Cash and Bank Balances :</b>			
Cash on hand	<u>71,493</u>		<u>62,538</u>
Bank Balances:			
With Scheduled Banks :			
In Current Account	189,660		326,918
In Fixed Deposit :			
Deposit receipt-endorsed in favour of Bank for Letter of Credit & Bank Guarantee facility	2,397,000		1,250,454
Accrued Interest on above	<u>65,130</u>		<u>61,570</u>
	<u>2,651,790</u>		<u>1,638,942</u>
		27,23,283	1,701,480
<b>(d) Loans and Advances, Unsecured, Good:</b>			
Advances recoverable in cash or in kind or for value to be received	7,383,698		2,149,695
Balance with Customs and Collectorate of Central Excise	592,515		10,601
Tax paid in Advance, less provision	<u>689,185</u>		<u>321,521</u>
		<u>8,665,398</u>	<u>2,481,817</u>
<b>TOTAL</b>		<b><u>10,51,35,433</u></b>	<b><u>41,298,412</u></b>
<b>SCHEDULE '8' : CURRENT LIABILITIES AND PROVISIONS :</b>			
<b>(a) Liabilities :</b>			
Sundry Creditors :			
(i) Due to Small Scale Industrial Undertakings (See Note 11)	580,507		551,793
(ii) Others	<u>14,226,399</u>		<u>11,213,779</u>
	14,806,906		11,765,572
For Expenses	1,936,198		5,61,695
Others	<u>22,888,051</u>		<u>72,37,522</u>
		39,631,155	1,95,64,789
Advances from Customers		42,565,360	7,253,404
Investors Education and Protection Fund shall be credited by the following (See Note Below)			
Unclaimed Dividends		<u>17,634</u>	<u>17,634</u>
		<u>82,214,149</u>	<u>26,835,827</u>
<b>(b) Provisions :</b>			
For Unencashed Leave (See Note 13)	488,549		-
For Taxation	<u>400,000</u>		-
		<u>888,549</u>	-
<b>TOTAL</b>		<b><u>83,102,698</u></b>	<b><u>26,835,827</u></b>

Note : The Figures are outstanding as at 31st March, 2004,  
The actual amount to be transferred to said fund in this respect  
shall be determined on the due dates.

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	2003-2004 Rs.	2002-2003 Rs.
<b>SCHEDULE '9' : MISCELLANEOUS EXPENDITURE:</b>		
<b>(To the extent not written off or adjusted)</b>		
Deferred Revenue Expenditure		
Payment under Voluntary Retirement Scheme	14,927,347	20,197,809
Payment of Staff Gratuity under V.R.S.	<u>5,136,600</u>	<u>8,644,358</u>
<b>TOTAL</b>	<u>20,063,947</u>	<u>28,842,167</u>
<b>SCHEDULE '10' : OTHER INCOME:</b>		
Dividend (Gross, Tax deducted Rs. NIL)	-	7,935
Sales Tax Refunds	4,69,032	452,959
Miscellaneous Income (Including Rs. 108/- received on Fractional Coupon of Bonds)	20,09,032	699,912
Surplus on Sale of Fixed Assets	<u>5,14,209</u>	18,000
Sundry Credit Balances appropriated	60,500	-
Provisions no longer required	<u>7,86,202</u>	<u>10,609</u>
<b>TOTAL</b>	<u>38,38,975</u>	<u>1,189,415</u>
<b>SCHEDULE '11' : INCREASE/DECREASE IN STOCKS:</b>		
Stocks at Close:		
Work-in-Progress	4,94,91,620	9,059,485
Finished Goods	<u>18,34,673</u>	<u>1,866,954</u>
	5,13,26,293	<u>10,926,439</u>
Less : Stocks at Commencement:		
Work-in-Progress	90,59,485	20,272,794
Finished Goods	<u>18,66,954</u>	<u>6,010,230</u>
	<u>1,09,26,439</u>	<u>26,283,024</u>
(Decrease) Increase	<b>TOTAL</b>	<b>TOTAL</b>
	<u>4,03,99,854</u>	<u>(15,356,585)</u>
<b>SCHEDULE '12' : MATERIALS:</b>		
Raw Materials Consumed:		
Stocks at Commencement	86,67,196	10,527,972
Purchases	<u>10,62,19,844</u>	<u>37,684,458</u>
	11,48,87,040	48,212,430
Less : Sales	<u>32,126</u>	<u>310,387</u>
	11,48,54,914	47,902,043
Less : Stocks at Close	<u>1,66,88,194</u>	<u>8,667,196</u>
<b>TOTAL</b>	<u>9,81,66,720</u>	<u>39,234,847</u>
<b>SCHEDULE '13' : MANUFACTURING EXPENSES:</b>		
Stores Consumed	46,99,513	2,517,128
Power & Fuel	43,81,126	3,431,331
Job Work Charges	1,45,70,405	8,736,841
Building Repairs	63,355	28,308
Machinery Repairs	<u>17,39,221</u>	<u>721,829</u>
<b>TOTAL</b>	<u>2,54,53,620</u>	<u>15,435,437</u>

# The Anup Engineering Limited

	Rs.	2003-2004 Rs.	2002-2003 Rs.
<b>SCHEDULE '14' : EMPLOYEES' EMOLUMENTS:</b>			
Salaries, Wages, Bonus, Gratuity, etc. (See Note 13)		5,036,764	4,365,401
Contribution to Provident & Other Funds		892,619	678,418
Welfare Expenses		231,858	232,428
Provident Fund Expenses		<u>31,134</u>	<u>31,684</u>
<b>TOTAL</b>		<u>6,192,375</u>	<u>5,307,931</u>
<b>SCHEDULE '15' : INTEREST AND FINANCE CHARGES: (NET)</b>			
Interest :			
On Fixed Loans	1,881,803		1,820,919
Other	<u>3,991,135</u>		<u>3,089,501</u>
		5,872,938	4,910,420
Less : Interest Received (Gross, Tax deducted Rs. 16,714/-, Previous Year Rs. 9,777/-)			
On Bonds	243		-
Other	<u>173,597</u>		<u>116,932</u>
		<u>173,840</u>	<u>116,932</u>
		5,699,098	4,793,488
Bills Discounting Charges		<u>22,828</u>	-
<b>TOTAL</b>		<u>5,721,926</u>	<u>4,793,488</u>
<b>SCHEDULE '16' : OTHER EXPENDITURE:</b>			
Rent		11,878	11,878
Rates & Taxes		625,670	236,721
Insurance		236,639	182,728
Other Repairs		420,387	211,981
Excise Duty on Closing Stock of finished Goods		-	4,160
Freight, Octroi etc.		650,838	598,201
Brokerage		368,274	448,240
Auditor's Remuneration		60,819	57,503
Legal & Professional Fees		988,945	896,450
Directors' Fees		18,000	18,000
Travelling Expenses		904,879	715,325
Miscellaneous Expenses		3,280,536	3,440,960
Late Delivery Charges		<u>795,832</u>	<u>67,415</u>
<b>TOTAL</b>		<u>8,362,697</u>	<u>6,889,562</u>
<b>SCHEDULE '17' : DEPRECIATION AND OTHER WRITE OFFS:</b>			
Amount Written Off against leasehold land		461,670	461,670
Depreciation		2,476,648	2,651,928
<b>TOTAL</b>		<u>2,938,318</u>	<u>3,113,598</u>

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

	2003-2004 Rs.	2002-2003 Rs.
<b>1 Contingent Liabilities not provided for in respect of :</b>		
(a) Bills and cheques discounted	731,967	670,150
Since Realised	731,967	670,150
(b) Claims against the Company not acknowledged as Debts	525,545	525,545
(c) Municipal Tax demands - matter under appeal	-	1,142,112
(d) Undertaking to Government for Concessional Customs Duty	-	1,021,678
<b>2 Payment to Auditors:</b>		
i. As Auditors	32,400	32,400
ii. In other capacity :		
For Tax Audit	16,200	15,750
For Certificate	10,800	7,875
iii. For Expenses	1,419	1,478
	<u>60,819</u>	<u>57,503</u>
<b>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.</b>	42,978,383	15,078,517

## 4 Raw Materials Consumption and Imported and Indigenous Consumption :

### (a) Raw Materials Consumption :

	2003-2004		2002-2003	
	Qty.	Rs.	Qty.	Rs.
Metal Sheets & Plates	1367 MT.) 105 Nos.)	45,816,316	464 MT.) 65 NOS.)	18,542,775
Metal Pipes & Tubes	55007 Mtrs.	11,744,158	28421 Mtrs.	7,197,350
Structural Materials	50 MT.) 19 Nos.)	2,652,659	18 MT.) 48 Nos.)	842,800
Welding Electrodes	11MT.) 439056 Nos.)	4,777,300	3 MT.) 307035 Nos.)	2,987,329
Components		33,176,287		9,664,593
<b>TOTAL</b>		<u>98,166,720</u>		<u>39,234,847</u>

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

	2003-2004		2002-2003	
	Rs.	Percentage	Rs.	Percentage
Imported	790,375	0.81%	251,400	0.64%
Indigenous	97,376,345	99.19%	38,983,447	99.36%
<b>TOTAL</b>	<u>98,166,720</u>	<u>100.00%</u>	<u>39,234,847</u>	<u>100.00%</u>

# The Anup Engineering Limited

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

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

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

CLASS OF GOODS	LICENSED CAPACITY		*INSTALLED CAPACITY		PRODUCTION (INCL.LABOUR JOBS)	
	2003-2004	2002-2003	2003-2004	2002-2003	2003-2004	2002-2003
Chemical & Pharmaceutical Machinery	1900 MT.	1900 MT.	1900 MT.	1900 MT.	1111 MT.	655 MT.
Industrial Centrifuges	100 Nos.	100 Nos.	100 Nos.	100 Nos.	18 Nos.	4 Nos.
**Dairy Machinery & Equipments	Rs.125 Lacs	Rs.125 Lacs				
Expansion Joints & Bellows	130 MT.	130 MT.	130 MT.	130 MT.	1 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 & Turnover :

CLASS OF GOODS	STOCKS AT COMMENCEMENT		STOCKS AT CLOSE		TURNOVER	
	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.
Chemical & Pharmaceutical Machinery						
2003-2004	4	1,460,737	3	1,428,456	774	81,585,758
2002-2003	25	5,603,813	4	1,460,737	716	57,396,018
Industrial Centrifuges						
2003-2004	1	399,273	1	399,273	18	26,806,342
2002-2003	1	399,273	1	399,273	4	9,341,480
*Dairy Machinery & Equipments						
2003-2004		-		-		-
2002-2003		-		-		-
Expansion Joints & Bellows						
2003-2004	1	6,944	1	6,944	15	186,491
2002-2003	1	6,944	1	6,944	46	2,296,075
*Soda Ash Plant, Equip. & Components						
2003-2004		-		-		-
2002-2003		-		-		-
Other						
2003-2004		-		-		7,580,441
2002-2003		-		-		5,694,651
TOTAL						
2003-2004		<u>1,866,954</u>		<u>1,834,673</u>		<u>116,159,032</u>
2002-2003		<u>6,010,030</u>		<u>1,866,954</u>		<u>74,728,224</u>

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

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

	2003-2004	2002-2003
	Rs.	Rs.
(a) - C.I.F. Value of Imports:		
Raw Materials	4,79,514	52,775
(b) Earnings in Foreign Currency:		
F.O.B. Value of Exports	-	71,449

## 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, 2004 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 31.03.2003 (Rs.)	Charge/ Credit for the year (Rs.)	As on 31.03.2004 (Rs.)
Deferred Tax Liability on account of :			
i. Depreciation	1,674,941	(253,610)	1,421,331
ii. Deferred Revenue	3,357,176	(566,040)	2,791,136
iii. Gratuity	<u>2,162,748</u>	<u>(1,261,742)</u>	<u>901,006</u>
	<u>7,194,865</u>	<u>(2,081,392)</u>	<u>5,113,473</u>
Deferred Tax Asset on account:			
i. Expenses allowable to tax purpose when paid	319,161	(24,818)	294,343
ii. Unabsorbed depreciation	648,967	(648,967)	0
iii. Carry forward of losses	<u>27,453,892</u>	<u>3,999,370</u>	<u>31,453,262</u>
	<u>28,422,020</u>	<u>3,325,585</u>	<u>31,747,605</u>
Net deferred tax Liability/ (Assets)	<u>21,227,155</u>	<u>5,406,977</u>	<u>26,634,132</u>

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:

Mr. P. G. Shah – Key Management Personnel.

**10. EARNING PER SHARE:**

	31-03-2004 Rs.	31-03-2003 Rs.
Profit / Loss for the year attributable to the Equity Shareholders	1,20,451	(85,02,928)
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.0.86	(-) Rs.60.73

# The Anup Engineering Limited

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

### 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. Nil 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 :

Divine Laboratory, Electro Service, Fluid Logic Systems, Heatex Tools Pvt.Ltd., Kartikeya Industries, Kunj Forgings, OSNA Electronics P. Ltd., Precision Balancers, SPM Engineers, Vadilal Chemicals Ltd., Wellbore Engineering Co., Wellplain Engineering Co.

### 12. Provision for Taxation:

Provision for Taxation amounting to Rs.4,00,000/- made in the accounts pertains to Capital Gain tax on account of proposed sale of surplus land under the Memorandum of Understanding entered in to by the Company, pursuant to which part performance of the nature referred to in Section 53A of the Transfer of Property Act, 1882, has taken place.

As the company is registered as a Sick Industrial Company within the meaning of clause (0) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985, application for required approval for above referred sale is made to Board for Industrial and Financial Reconstruction. - Approval of which is awaited.

13. The Company hitherto, accounted for encashment of accumulated leave only in the year of payment. However, from this year same is accrued and provided for on the basis of actuarial valuation. As a result of this change, charge to the account for the year is higher by Rs.78,755/-, affecting the profit for the year to the same extent.

Accordingly said liability for earlier year amounting to Rs.4,09,794/- has, also, been provided for and charged to the Profit & Loss Account.

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.

### 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.  
29th June, 2004

**SAMVEG A. LALBHAI**  
CHAIRMAN

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

Ahmedabad.  
29th June, 2004

**ANNEXURE-I REFERRED TO IN NOTE 14 IN SECHEDULE 18 TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2004.**

**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.

# The Anup Engineering Limited

## 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.
- iv) **Leave Encashment :** Provision for leave encashment is accrued and provided for at the end of financial year on the basis of an actuarial valuation. (For change and effect see Note 13 in Schedule 18 to the Accounts)

## 7. 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.

# ANNUAL REPORT

**INFORMATION REFERRED TO IN NOTE 15 IN SCHEDULE 18 TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2004**

**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.	001170
State Code :	04
Balance Sheet Date :	31.03.2004

**II. Capital Raised during the Year**

	(Rs.in Lacs)
Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

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

Total Liabilities	2403.69
Total Assets	2403.69

**Sources of Funds:**

Paid-up Capital	140.00
Reserve & Surplus	1147.57
Secured Loans	427.96
Unsecured Loans	688.16

**Application of Funds:**

Net fixed Assets	1423.68
Investments	0.00
Net Current Assets	220.33
Misc. Expenditure	200.64
Accumulated Losses	292.70
Deferred Tax Assets (Net)	266.34

**IV. Performance of Company**

Turnover (Incl. other income)	1651.47
Total Expenditure	1695.99
Loss before Tax	44.52
Profit after Tax	1.20
Earning Per Share in Rs.	00.86
Dividend Rate %	NIL

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

Item Code No.(ITC Code)	841989.01
Product Description	Pressure Vessels, Reactors
Item Code No.(ITC Code)	842119.02 & 842119.07
Product Description	Centrifuges
Item Code No.(ITC Code)	731100.09
Product Description	Chlorine Containers

**NOTICE**

NOTICE is hereby given that the 41st Annual General Meeting of the Members of the Company will be held on Thursday, 23rd September, 2004 at 10:15 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, 2004 and Profit and loss account and Cash Flow Statement 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 Arun P. Sheth, 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 a Director in place of Shri Shreyas C. Sheth, who retires by rotation under Article 129 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

Registered Office:

Behind 66 KV Electric Sub Station,  
Odhav Road, Ahmedabad-382 415.  
29th June, 2004

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 2003-2004 is enclosed herewith.
3. The Register of Members and Share Transfer Books will be closed from Tuesday, 16th September, 2004 to Wednesday, 22nd September, 2004 (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 23rd September, 2004 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2004

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 10.15 A.M. on or before 22nd September, 2004.

Book - Post

To,

*If Undelivered please return to:*

**THE ANUP ENGINEERING LIMITED**

Behind 66 KV Elec. Sub-Station,

Odhav Road, Ahmedabad-382 415