

**ANUP**

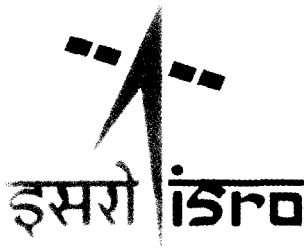
LALBHAI GROUP

**THE ANUP ENGINEERING LIMITED**

**Annual Report 2008-2009**

भारत सरकार  
अंतरिक्ष विभाग  
द्रव नोदन प्रणाली केंद्र  
वलियमला पोस्ट  
तिरुवनंतपुरम - 695 547, भारत

दूरभाषा :  
फैक्स :



Government of India  
Department of Space

**Liquid Propulsion Systems Centre**  
Valiamala P.O.  
Thiruvananthapuram - 695 547, India  
Telephone :  
Fax :

22/12/08

To

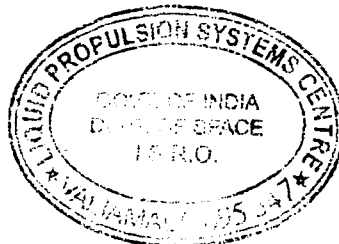
**The Chief Executive Officer,  
Anup Engineering Ltd,  
Ahmedabad.**

**Sub: - ISRO's Chandrayaan -1 Mission – Gesture of appreciation – Reg.**

As you are well aware, the recently concluded India's prestigious space mission 'Chandrayaan -1' was an overwhelming success not only for the entire nation but for the scientific community everywhere. Apart from invoking new facets of interest on the study of moon surface, it also sparked off fresher enthusiasm, vision and energy on the part of younger generation in India and elsewhere. ISRO brought the moon nearer to all Indians. Liquid Propulsion Systems Centre contributed the mission with liquid propellant stages and control systems, and all of them performed well throughout the mission.

The Chandrayaan -1 satellite was carried by the Polar Satellite Launch Vehicle (PSLV). The first stage of this vehicle (PS1) is powered by a solid propellant rocket and is controlled by the Thrust Vector Control Systems and Reaction Control Systems developed by LPSC. The propellant tanks used to store liquid propellants in the Reaction Control System package was realized with your esteemed participation (**fuel and oxidizer tank domes**). We take this opportunity to share our happiness with you and appreciate the effort put in by you and your team in realizing the quality products, which supported the PSLV-C11-Chandrayaan-1 Mission.

We hope that M/s Anup will continue to deliver the hardware with the same spirit, conviction and perfection for ISRO's future missions.



*for the head*  
**C. AMARASEKARAN**  
Deputy Director, CSC  
LPSC, Valiamala

PS: Kindly circulate this letter among all your staff members.

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

**DIRECTORS :**

SHRI SAMVEG A. LALBHAI  
SHRI ARUN 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  
Tel No. : 22870622

**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.

**DIRECTORS' REPORT**

Your Directors submit herewith the 46<sup>th</sup> Annual Report together with the audited statements of Accounts for the year ended 31st March, 2009

**1. FINANCIAL RESULTS :**

	<b>2008-2009</b> <b>(Rs.in Lacs)</b>	<b>2007-2008</b> <b>(Rs.in Lacs)</b>
Profit before Interest, Depreciation & Taxation	1572.14	1350.82
Less : Interest (Net)	241.68	122.40
Depreciation & Write off	<u>72.68</u>	<u>28.99</u>
	314.36	151.39
Provision for Taxation - Current	349.00	410.00
- Deferred	79.32	2.19
- Fringe Benefit Tax	<u>3.60</u>	<u>2.15</u>
	<u>431.92</u>	<u>414.34</u>
Profit for the year	825.86	785.09
Tax adjustments of earlier years	(3.36)	-
Balance carried of the last year	<u>955.08</u>	<u>169.99</u>
Balance carried to next year	<u>1777.58</u>	<u>955.08</u>

To conserve the resources for operations your Directors regret to recommend any dividend for the year ended 31.3.2009.

**2. OPERATIONS:**

Your Directors are pleased to report that during the year your company could achieve turnover of Rs.7893.00 Lacs as against Rs.6033.00 Lacs during the year 2007-08. Profit of the company improved from Rs.785.00 Lacs to Rs.826.00 Lacs during the year. Profit before interest, depreciation and tax significantly improved from Rs. 1351.00 Lacs to Rs. 1572 Lacs.

**3. PROSPECTS:**

Economic indicators during the year suddenly became adverse and economic slow down was visible world over. As the economic experts predict this slow down will have long lasting effect and revival will take 3 to 5 years. Only one complacent India have is very small amount of business come from International Trade. But still all major industries have deferred or closed the on going expansion plans to a future date. Significant increase in Government Expenditure through Public Sector Undertakings may give some leverage to your company's activities. Further, the order book position with your company is still reasonable and your company is hopeful that the performance of your company during the current year will also be satisfactory.

**4. EMPLOYEES:**

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

Statement as per Section 217(2a)(b) of the Companies Act, 1956 and forming part of the Director's Report for the year ended on 31.3-2009

(a) Designation (b) Remuneration Gross-Net (c) Nature of employment (d) Other terms & conditions (e) Nature of duties (f) Quilification & experience (g) Date of commencement (h) Age-years (i) Last employment before joining the company (j) Percentage of equity shares held within the meaning of section 217(2A)(iii)(a)(k) Whether the employee is a relative of any director or manager of the company and the name of such director

# The Anup Engineering Limited

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(A) Employed throughout the financial year under review and were in receipt of remuneration in aggregate of not less than Rs.24,00,000/- per annum.

————— None —————

(B) Employed for a part of financial year under review and were in receipt of remuneration in aggregate of not less than Rs.2,00,000/- per month.

1. .S.R.Lapalikar (a) Chief Executive (b) Remuneraion Gross Rs.2634367/- Net Rs.2471381/- (c) Permanent (d) NIL (e) Chief Executive Officer (f) B.E (Mech) BITS with 25 years of experience (g) 30-4-2008 (h) 47 years (i) M/S Crompton Greaves limited (j) NIL (k) No

## 5. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i) that in the preparation of annual accounts, the applicable accounting standards have been followed.
- ii) that in such 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.
- iii) 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.
- iv) that the annual accounts have been prepared on going concern basis

## 6. 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.

## 7. 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.

## 8. DIRECTORS :

Shri Chandrakant T. Parikh, Director of the Company, retires by rotation and being eligible, offer him self for re-election.

## 9. 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.

## 10. Appreciation:

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

Ahmedabad.  
Date: 25th April, 2009.

By Order of the Board,  
**(SAMVEG A. LALBHAI)**  
CHAIRMAN

**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 :**

	2008-2009	2007-2008
<b>1. (a) Electricity :</b>		
Units	1342032	1109948
Total Amount (Rs.)	72,37,695	52,22,419
Rate/Unit (Rs.)	5.39	4.71
<b>(b) Own Generation :</b> (Through Diesel Generator)		
Units	43272	43488
Total Amount (Rs.)	8,66,730	6,48,683
Rate/Unit (Rs.)	20.02	14.91
<b>2. Furnace Oil:</b>		
Qty (Liters)	227115	99100
Cost	59,13,512	21,24,654
Rate per	26.04	21.44

**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 :**

	2008-2009 (Rs.in Lacs)	2007-2008 (Rs.in Lacs)
Capital -	-	-
Recurring	27.09	26.54
Total	27.09	26.54
Total R&D Expenditure as % of Total Turn Over	0.34	0.42

**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.

# The Anup Engineering Limited

## COMPLIANCE CERTIFICATE

Registration No. of the Company : 04-1170

Nominal Capital: Rs. 5.00 Crores

To,

The Members

**THE ANUP ENGINEERING LIMITED**

Behind 66 KV Electricity Sub- Station,

Odhav Road,

Ahmedabad-382415.

I have examined the registers, records, books and papers of **M/S. THE ANUP ENGINEERING LIMITED** as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2009. 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 officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, on the date as mentioned in the said Annexure 'B'.
3. The Company being Public Limited Company the provisions of Section 3 (1) (iii) of the Companies Act, 1956, are not applicable.
4. The Board of Directors duly met 4 times on 22/04/2008, 24/07/2008, 27/10/2008 and 27/01/2009 during the financial year under review in respect of which meetings proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Register of members was closed from 20/09/2008 to 26/09/2008 during the financial year.
6. The Annual General Meeting for the financial year ended on 31/03/2008 was held on 26/09/2008 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 financial year under review.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has duly complied with the provisions of Section 297 of the Companies Act, 1956 in respect of contracts specified in that Section.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act during the financial year.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company was not required to obtain any approvals from the Board of Directors, members or Central Government during the financial year.
12. Duly constituted Committee of Directors has approved the issue of duplicate share certificates during the financial year.
13. (i) The Company has delivered all the certificates on lodgement thereof for transfer/ transmission of securities during the financial year under review. There was no allotment of securities during the financial year.  
(ii) The Company was not required to deposit any amount in a Separate Bank Account as no dividend was declared during the financial year under review.  
(iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year under review.  
(iv) The Company was not required to comply with the provisions of section 205C of the

Companies Act, 1956 as there was no amount outstanding for period of seven years to the investors of the company.

- (v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional Director, alternate Director and Director to fill casual vacancy during the financial year.
  15. The Company has not appointed any managing director, whole-time director or manager during the financial year under review.
  16. The Company has not appointed any sole selling agent during the financial year.
  17. The Company was not required to obtain the approval of Company Law Board, Registrar of Companies, Regional Director or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
  18. The Directors have disclosed their interest in Form No.24AA to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
  19. The Company has not issued any shares / any debenture/ other securities during the financial year under review.
  20. The Company has not bought back any securities during the financial year.
  21. The Company has not issued any preference shares /debentures during the year under review.
  22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, right shares and bonus shares pending registration of transfer of shares.
  23. The Company has not accepted or renewed deposits including unsecured loans falling within the purview of Section 58A during the financial year.
  24. The amount borrowed by the Company during the financial year is within the borrowing limits of the Company and that necessary resolution as per Section 293(1)(d) of the Act has been passed.
  25. The Company has made loan to other bodies corporate and also given corporate guarantee in compliance with the provisions of Section 372A of the Companies Act, 1956. However, the company has not provided securities to other bodies corporate.
  26. The Company has not altered the provisions of the Memorandum of Association with respect to the situation of the Company's registered office from one State to another during the financial year.
  27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the financial year.
  28. The Company has not altered the provisions of the memorandum with respect to the name of the Company during the financial year.
  29. The Company has not altered the provisions of the memorandum with respect to share capital of the company during the financial year under scrutiny.
  30. The Company has not altered its Articles of Association during the financial year under review.
  31. There was no prosecution initiated against or show cause notices received by the Company and no fines and penalties or any other punishment was imposed on the Company during the financial year for offences under the Act.
  32. The Company has not received any money as security deposit from its employees during the financial year.
  33. The Company has deposited both employees' and employer's contribution to Provident Fund with prescribed authorities which is within prescribed time limit.

**FOR RAJESH PAREKH & CO.**  
Company Secretary

**PLACE: AHMEDABAD**  
**DATE: 25/04/2009**

**RAJESH PAREKH**  
Proprietor  
CP. NO.: 2939  
M. NO.: 8073



# The Anup Engineering Limited

## ANNEXURE 'A'

### Statutory and Other Registers maintained by the Company :

1. Register of Directors u/s. 303
2. Register of Members u/s. 154
3. Register of Share Transfers.
4. Minutes Book of the Board of Directors Meetings, Committee meeting and General Meetings of the Company.
5. Register of Directors' Shareholding u/s.307
6. Register of Contracts u/s.301
7. Register of Charges u/s. 125
8. Register of Investments.
9. Register of Attendance of Board Meetings
10. Register of Attendance of General Meetings

## ANNEXURE "B"

### Forms and Return as filed by the Company with the Registrar of Companies, Gujarat during the financial year ended on 31/03/2009

S.R. NO.	FORM NO./ RETURN	FILED UNDER SECTION	FOR	DATE OF FILING	WHETHER FILED WITHIN PRESCRIBED TIME	IF DELAY IN FILING WHETHER REQUISITE ADDITIONAL FEES PAID
1.	Balance Sheet (Form 23AC & Form 23ACA)	220	31/03/2008	16/10/2008	YES	N.A.
2.	Annual Return (Form 20B )	159	26/09/2008	21/11/2008	YES	N.A.
3.	Form 8	135	Modification of Charge dated 03/11/2008	02/12/2008	YES	N.A.
4.	Statement in Lieu of Advertisement. ( Form-62 )	Rule 4A of Companies (Acceptance of Deposit) Rules, 1975.	Accept Deposit for the year 2008-09	14/05/2008	YES	N.A.

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**MANAGEMENT DISCUSSION AND ANALYSIS****Overview**

The sales of the Company has improved from Rs. 6033 Lacs to Rs. 7893 Lacs. Profit before Taxation increased from Rs. 1199 Lacs to Rs. 1258 Lacs, during the previous year and Profit net of Tax also shown rise from Rs. 785 Lacs to Rs.822 Lacs, during the previous year.

**Industry Structure & Developments**

The Company is in heavy fabrication industry and is one of the leading players since last 40 plus years. Your company is one of the very few companies in the country, which has integrated fabrication facilities under one roof. Your Company cater to, Refinery, Power Industry, Process Manufacturing, Chemical & Petro Chemical, Pharma etc. industries of the Country. Range of products includes process equipments, pressure vessels, heat exchangers, columns, centrifuges, chlorine tonners and vessels, expansion bellows etc.

**Opportunities and threats**

During the year there was sudden slow down world over. This has affected the Indian Industries also to a great extent. All major corporate houses have either slowed down their Expansion programmes or put a hold on it. Inflation has also come down to mere decimal from its pick some time ago.

Fortunately company holds reasonable order book position and to provide impetus to the sluggish market the *government will accelerate the spending through Public Sector Undertakings engaged in Refineries and Petro chemical Business*. Expenditure in infrastructure projects is also likely increase. This will help the company to continue to have satisfactory orders during the year.

**Strengths and Weakness:**

During the year company increased its Manufacturing facilities and entered in higher weight equipment manufacturing segment. Company is "U" stamped manufacturer and is also ISO 9001:2000 registered company. Company makes use of latest engineering software technology like Micropotal, PVELITE-2009, COMPRESS-6260,PERT-CPM, IMMS etc. as design, manufacturing and process control tools. Company is carrying reasonable order book position. Company is leading quality fabricator. All these will give an edge to the company. Being Subsidiary of Arvind Limited , Company is proud member of leading industrial house in the country.

Overall slow down in the industry, delay in execution, huge working capital requirements, terms dictating capacities of large customers etc. may affect the profitability of the company.

**Outlook**

Company is having reasonable order book position on hand. But the future working of the company will largely depend on the improvement in the industrial environment and continued expansion of Public Sector Undertakings which are major customers of the company. But still the company may feel pressure on the operating margins during the year.

**Internal Control System**

The Company has in place adequate structure of Internal Controls for safeguarding the assets of the Company; ensuring transactions are duly authorized, recorded, reported and are in accordance with policies; preventing possibilities of fraud or any other irregularities. The adequacy, efficiency and effectiveness of controls are independently reviewed by the Independent Internal Auditors, as part of their audit plan. As a process of continuous improvement of controls, remedial actions on the audit observations are implemented by functional heads. The annual audit plan is reviewed by the Audit Committee and major findings and actions taken/proposed to be taken are also reported to the Audit Committee.

**Human Resources**

The attrition ratio has now come down. But there is still mismatch in demand-supply level of technical persons at senior levels. Increase in Remuneration Packages is becoming a major concern. Group HR Department is striving hard to come out of this situation and has been successful to some extent. With all-round actions, your company is confident to come out of this situation. Industrial relations continue to be cordial.

For and on behalf of the Board of Directors

Ahmedabad  
April 25, 2009

**SAMVEG A. LALBHAI**  
Chairman

**PS:** Statements in this Report of projections, estimates, expectations or predictions are based on certain assumptions. The Company cannot guarantee that these assumptions are accurate or will be realized. The actual results, performance or achievements of the Company could thus differ materially from those projected or estimated.

# The Anup Engineering Limited

## REPORT ON CORPORATE GOVERNANCE

### 1) Company's philosophy on Code of Corporate Governance:

The company is committed to adopt the best governance practices and its adherence in true spirit at all times. The Company firmly believes that Corporate Governance pertains to system of blending law, regulations and voluntary practices, which enable the company to attract financial and human capital, perform efficiently and thereby perpetuate it into generating long term economic value for its shareholders, while respecting interests of other stakeholders and the society as a whole. Hence, the Company will endeavour to constantly comply with and to continuously improve on these aspects with an overall view to earn the trust and respect of the Members, lenders and other stakeholders.

### 2) Board of Directors:

The Company is fully compliant with the revised Corporate Governance norms in terms of constitution of the Board. The Board represents an optimum mix of professionalism, knowledge and experience. The present strength of the Board is five Directors, comprises of 4 Non- executive Directors and 1 Promoter Director. As against minimum requirement of 1/3rd of the Independent Directors as per the listing agreement, Independent Directors account for 60% of the Board's strength.

#### 2.1 Composition and category of Directors as at 31<sup>st</sup> March 2009:

The details of composition of the Board and summary of other directorships and Board Committee Memberships of each of Directors as on 31<sup>st</sup> March, 2009 are as follows:

Sr. No.	Name of the Directors	Category	No. of other Directorships held in public limited cos.	No. of membership/ chairmanship on the Committee(s) of the Board
1.	Mr. Samveg A. Lalbhai - Chairman	Non Executive - Non-Independent	06	Chairmanship _ 2 Membership _ 3
2.	Mr. Arun P. Sheth – Director	Non Executive- Non-Independent	01	-
3.	Mr. Shreyas C. Sheth – Director	Non Executive – Independent	07	Membership _ 1
4.	Mr. Chandrakant T. Parikh – Director	Non Executive – Independent	-	-
5.	Mr. Pankaj S. Sheth – Director	Non Executive – Independent	-	-

The necessary disclosures regarding committee positions have been made by all the Directors. None of the Directors is a Member of more than 10 committees and Chairman of more than 5 committees across all Indian public limited companies in which he is a Director.

#### 2.2 Number, Day, Date and Venue of the Board Meetings held in the year 2008-09:

The Meetings of the Board are scheduled well in advance. The Board meets at least once every quarter to review the quarterly results and other items of the Agenda. During the Financial Year 2008-09, the Board Meetings were held Four times as follows:

Sr. No.	Day	Date	Venue
1	Tuesday	22.04.2008	Ahmedabad.
2	Thursday	24.07.2008	Ahmedabad.
3	Monday	27.10.2008	Ahmedabad.
4	Tuesday	27.01.2009	Ahmedabad.

The Agenda papers along with Notes on Agenda containing all necessary information are made available to the Board well in advance to enable the Board to discharge its responsibilities effectively and take informed decisions. Where it is not practicable to attach or send the relevant information as a part of the Agenda papers, the same are tabled at the Meeting. The information as required under Annexure IA to the Clause 49 of the Listing Agreement is also made available to the Board of Directors.

**2.3 Attendance of each director at the Board of Directors Meetings and the last Annual General Meeting :**

Sr. No.	Name of Director & Designation	Board Meetings held during 2008-09		Annual General Meeting on Dt. 26/09/2008
		Total	Attended	
1.	Mr. Samveg A. Lalbhai - Chairman	4	4	Yes
2.	Mr. Arun P. Sheth – Director	4	4	Yes
3.	Mr. Shreyas C. Sheth – Director	4	4	Yes
4.	Mr. Chandrakant T. Parikh – Director	4	4	-
5.	Mr. Pankaj S. Sheth – Director	4	4	-

**2.4 Review of Compliance Reports by the Board of Directors:**

A Compliance Certificate confirming the due compliance with the statutory requirements is placed at the Board Meeting for the review by the Board of Directors. A system of ensuring material compliance with the laws, orders, regulations and other legal requirements concerning the business and affairs of the Company is in place. Instances of non-compliance, if any, are also separately reported to the Board.

**2.5 Code of Conduct:**

The Company is committed to conducting its business in conformity with ethical standards and applicable laws and regulations. This commitment stands evidenced by Model Code of Conduct adopted by the Company, applicable to the Directors and the Senior Management personnel. This Code of Conduct is available at the website of the Company at: – <http://www.anupengg.com>

The company has received confirmations from all the Directors and Senior Management personnel of the Company regarding compliance with the said Code for the year ended 31<sup>st</sup> March, 2009. A declaration to this effect signed by the Director of the Company forms part of this Report.

**3. Audit Committee:****3.1 Composition, name of members and Chairman:**

- i) Name of non-executive director heading the committee: **Mr. Shreyas C. Sheth**
- ii) Name of members: **Mr. Chandrakant T. Parikh** and **Mr. Pankaj S. Sheth**.

**3.2 Brief description of terms of reference**

The terms of reference of the Audit Committee include the matters specified under sub-clauses D and E of Clause 49 II and Disclosures under Clause 49 IV (A) of the Listing Agreement. Thus, the terms of reference of the Audit Committee are wide enough covering the matters specified below:

- i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- ii) Recommending the appointment re-appointment and if required, the replacement or removal of the statutory auditor and fixation of audit fees;
- iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
  - b) Changes, if any in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Qualifications in the draft audit report.
- v) Reviewing with management the quarterly financial statements before submission to the Board for approval.

## The Anup Engineering Limited

- vi) Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- vii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- viii) Discussions with internal auditors on any significant findings and follow up thereon.
- ix) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- x) Discussions with statutory auditors before the audit commences regarding nature and scope of the audit as well as to have post-audit discussion to ascertain any area of concern.
- xi) Reviewing the Company's financial and risk management policies.
- xii) To look into the reasons for substantial defaults, if any in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- xiii) To review the functioning of the Whistle Blower mechanism, if any.

### The audit committee also reviews the following information:

- i) Management discussion and analysis of financial condition and results of operations.
- ii) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- iii) Management letters/ letters of internal control weaknesses issued by the statutory auditors; if any.
- iv) Internal audit reports relating to internal control weaknesses.
- v) The appointment, removal and terms of remuneration of the chief internal auditor.

### 3.3 Meetings and attendance during the year:

Four Audit Committee Meetings were held during the financial year under review and the gap between two Meetings did not exceed four months. These were held on 22<sup>nd</sup> April, 2008, 24<sup>th</sup> July, 2008, 27<sup>th</sup> October, 2008 and 27<sup>th</sup> January, 2009. Details of presence

Sr. No.	Name of Director & Designation	Number of Meetings held	Number of Meetings attended
1.	Mr. Shreyas C. Sheth – Chairman	4	4
2.	Mr. Chandrakant T. Parikh– Member	4	4
3	Mr. Pankaj S. Sheth – Member	4	4

The Minutes of the Audit Committee Meetings were noted at the Board Meetings. Meetings were attended by Chief Executive Officer. The Chairman of the Audit Committee was present at the 45<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> September, 2008.

### 4. Remuneration Committee :

4.1. Remuneration Committee being a non-mandatory requirement has not been formed. None of the Directors was paid any remuneration or commission during the year except the sitting fees for attended Board Meetings.

### 4.2 Details of remuneration to all the directors, as per format in main report:

Sr. No.	Name of the Directors	Sitting fees Rs.
1.	Mr. Samveg A. Lalbhai - Chairman	10,000
2..	Mr. Arun P. Sheth – Director	10,000
3.	Mr. Shreyas C. Sheth – Director	10,000
4.	Mr. Chandrakant T. Parikh – Director	10,000
5.	Mr. Pankaj S. Sheth – Director	10,000

Sitting Fees constitute fees paid to Non-Executive Directors for attending Board.

### 5. Share transfer and Shareholder / Investor grievance Committee :

- a) Name of non-executive director heading the committee: **Mr. Chandrakant. T. Parikh**
  - b) Name of members: **Mr. Shreyas C. Sheth** and **Mr. Pankaj S. Sheth.**
- Meetings and attendance during the year:

Sr. No.	Name of Director & Designation	Investor grievance Committee Meetings	
		Total	Attended
1.	Mr. Chandrakant T. Parikh –Chairman	2	2
2.	Mr. Shreyas C. Sheth – Member	2	2
3.	Mr. Pankaj S. Sheth – Member	2	2

During the year, the Company had received NIL complaints from the Investors.

#### 6. **General Body Meetings :**

##### i) **Location and time, where last three AGMs held:**

Financial Year	Location	Date	Time
2007-08	ATMA Hall, Ashram Road, Ahmedabad	26 September, 2008	9:30 a.m.
2006-07	ATMA Hall, Ashram Road, Ahmedabad	21 September , 2007	9:30 a.m.
2005-06	ATMA Hall, Ashram Road, Ahmedabad	15 September, 2006	9:30 a.m.

All the Resolutions moved at the last three Annual General Meetings were passed by show of hands by the requisite majority of Members attending the Meeting.

##### ii) **Special Resolutions passed at the last three Annual General Meetings:**

There were no Special Resolutions passed at the last three Annual General Meetings.

##### iii) **Passing of Special Resolutions by Postal Ballot:**

There were no Special Resolutions required to be passed through Postal Ballot under section 192A of the Companies Act, 1956 at the last three Annual General Meetings. None of the Resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

#### 7. **Disclosures :**

##### i) **Related party transactions**

The Company does not have any materially significant commercial and financial transactions with any of the related parties i.e. Promoters, Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

Transactions with the related parties as per requirements of Accounting Standard 18 are disclosed in Note 9 of Schedule 18 to the financial statements in the Annual Report and they are not in conflict with the interest of the Company at large.

The Audit Committee has reviewed the related party transactions as mandatorily required under Clause 49 of the Listing Agreement and found them to be not materially significant.

##### ii) **Compliance by the Company:**

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to the capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.

#### 8. **Means of communication :**

The quarterly and half yearly Results are published in newspapers. Information released to the press at the time of declaration of results is also sent to all Stock Exchanges where the shares of the Company are listed for the benefit of investors. The financial results and other major events/ developments concerning the Company are also posted on the Company's website: [www.anupengg.com](http://www.anupengg.com).

#### 9. **Certification by the CEO/CFO:**

Mr. Sanjay Lalpalikar, Chief Executive Officer and Mr. Paresh Shah, Head (Finance and Accounts), issued a Certificate to the Board as prescribed under sub-clause V of Clause 49 of the Listing Agreement. The said Certificate was placed before the Board Meeting held on 25/04/2009 in which the Accounts for the financial year ended 31/03/2009 were considered and approved by the Board of Directors. **As the Company is in the process of appointing CFO; this certificate is signed by CEO and Head (Finance and Accounts) of the Company.**

#### 10. **General Shareholder information :**

##### i) **Annual General Meeting:**

- + Date and time: 46th Annual General Meeting, Date: 28<sup>th</sup> July, 2009 at 9:30 a.m.
- + Venue: ATMA HALL, Ashram Road, Ahmedabad.

As required under Clause 49VI (A), particulars of Directors seeking reappointment are given in the Notice of the Annual General Meeting.

# The Anup Engineering Limited

**ii) Financial Calendar:**

The Company observes 1<sup>st</sup> April to 31<sup>st</sup> March as its financial year.

First Quarter Results : Last week of July 2009.

Second Quarter Results : Last week of October, 2009.

Third Quarter Results : Last week of January, 2010.

Fourth Quarter Results/Year end Results : Last week of April 2010/June 2010.

**iii) Date of Book closure: July 21, 2009 To July 28, 2009 (both days inclusive)**

**v) Listing on Stock Exchanges:**

The Company is listed on the Ahmedabad Stock Exchange Ltd. The listing fee for the financial year 2009-10 has been paid and there is no outstanding payment towards the Exchange, as on date.

Pursuant to a SEBI circular, Custody charges also paid to the Depositories namely NSDL and CDSL.

The ISIN No. of the Company's Share is **INE618101013**.

The Company's CIN, allotted by the Ministry of Corporate Affairs, Government of India, is **L99999GJ1962PLC001170**.

**vi) Stock Code: 4510**

**vii) Market Price Data:** High, Low during each month in last financial year, as per below.

**viii) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc. as per below**

Month	Share Price of Anup Engg. Ltd., At ASE		BSE Sensex	
	High(Rs)	Low (Rs)	High	Low
April, 2008	N.A.	N.A.	17480.74	15297.96
May, 2008	N.A.	N.A.	17735.70	16196.02
June, 2008	N.A.	N.A.	16632.72	13405.54
July, 2008	N.A.	N.A.	15130.09	12514.02
August, 2008	N.A.	N.A.	15579.78	14002.43
September, 2008	N.A.	N.A.	15107.01	12153.55
October, 2008	N.A.	N.A.	13203.86	7697.39
November, 2008	N.A.	N.A.	10945.41	8316.39
December, 2008	N.A.	N.A.	10188.54	8467.43
January, 2009	N.A.	N.A.	10469.72	8631.60
February, 2009	N.A.	N.A.	9724.87	8619.22
March, 2009	N.A.	N.A.	10127.09	8047.17

The shares of the Company are listed at Ahmedabad Stock Exchange only. As no Screen based Trading/trading Floor is available at Ahmedabad Stock Exchange, data of market price of share of the Company is not available.

**ix) Registrar and Transfer Agent:**

PINNACLE SHARE REGISTRY PVT. LTD.,

Near Asoka Mills, Naroda Road,

Ahmedabad-380 025.

Phone: 079-22204226/22200591

Fax: 079-22202963

Email: [investor.service@psrpl.com](mailto:investor.service@psrpl.com)

**x) Share Transfer System:**

- + Securities lodged for transfer at the Registrar's address are processed within 30 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 21 days.

- + Pursuant to clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates on half-yearly basis have been issued by a Company Secretary in Practice for due compliance of share transfer formalities by the Company. Pursuant to the SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from a Company Secretary in Practice for timely dematerialization of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company. All the certificates were filed with the Stock Exchanges where the Shares of the Company are listed.

**xi) Distribution of shareholding as on 31<sup>st</sup> March 2009.**

Sr. No.	Category	No. of shares	Percentage of Share holding %
<b>A.</b>	<b>Promoters' holding</b>		
1.	Promoters	308771	90.82
	<b>Sub-Total</b>	<b>308771</b>	<b>90.82</b>
<b>B.</b>	<b>Non-Promoters, holding</b>		
2.	Mutual Funds & Administrator of the Specified Undertaking of Unit Trust of India	-	-
3.	Banks, Financial Institutions, Insurance Companies etc.	13848	4.07
4.	Foreign Institutional Investors (FIIS)	-	-
	<b>Sub-Total</b>	<b>13848</b>	<b>4.07</b>
<b>C.</b>	<b>Others</b>		
5.	Private Corporate Bodies	3031	0.89
6.	NRIs / OCBs	-	-
7.	State Government	-	-
8.	Indian Public	14350	4.22
	<b>Sub-Total</b>	<b>17381</b>	<b>5.11</b>
	<b>GRAND TOTAL</b>	<b>340000</b>	<b>100</b>

- xii) Dematerialization of shares and liquidity:** Electronic holding by Members comprising **94.80%** of the paid up Equity Share Capital of the Company held through the National Securities Depository Limited (**94.54%**) and Central Depository Services (India) Limited (**0.26%**) and **5.20 %** are in physical form as on **31.3.2009**.

Shareholders holding shares in electronic form may please note that:

- Instructions regarding bank details which they wish to incorporate in future dividend warrants must be submitted to their Depository Participants (DP). As per the regulations of NSDL and CDSL, the Company is obliged to print bank details on the dividend warrants, as furnished by these depositories to the Company.
- Instructions already given by the shareholders for shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form.
- Instructions regarding change of address, nomination and power of attorney should be given directly to the DP.

- xiii) Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity :** The Company's capital comprises only Equity shares and the Company does not have any preference shares, outstanding ADRs, GDRs, warrants or any convertible instruments.

**xiv) Following Non –Executive Directors held shares of the Company as under:**

- Shri Samveg A. Lalbhai - 115
- Shri Shreyas C. Sheth – 400
- Shri Arun P. Sheth - 2063

**xv) Plant Locations:** Odhav Road, Ahmedabad 382 415.

**Address for correspondence:** Odhav Road, Ahmedabad 382 415.

**xvii) E-mail address for grievance redressal office:** anup@anupengg.com



# The Anup Engineering Limited

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## 11. Details of compliance with the mandatory requirements and extent of compliance with non-mandatory requirements:

### 11.1 Compliance with the mandatory requirements

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges.

### 11.2 Compliance with non-mandatory requirements.

The Company does not comply with non-mandatory requirements.

### 11.3 Certificate from the Statutory Auditors of the Company, M/s. Dalal & Shah regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement is enclosed.

Ahmedabad  
25th April, 2009

For THE ANUP ENGINEERING LTD.  
Samveg A. Lalbhai  
Chairman

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The Board of Directors  
The Anup Engineering Limited

## Reg: **Financial Statements for the year 31 March, 2009 – Certification by Chief Executive Officer and Head (Finance and Accounts)**

We Mr. Sanjay Lapalikar, CEO & Mr. Paresh Shah, Head (Finance and Accounts) of The Anup Engineering Limited on the basis of review of the financial statements and the cash flow statement for the financial year ending 31<sup>st</sup> March, 2009 and to the best of our knowledge and belief, hereby certify that :

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31<sup>st</sup> March, 2009 which is fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that :
  - a. There have been no significant changes in internal control during this year.
  - b. There have been no significant changes in accounting policies during this year.
  - c. There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems.

Ahmedabad.  
Date: 25<sup>th</sup> April, 2009

Sanjay R. Lapalikar  
CEO

Paresh Shah  
Head (F & A)

The Company is in the process of appointing CFO, this compliance certificate is signed by Head (Finance & Accounts) of the Company.

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## **DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL.**

This is to confirm that the Company has adopted a Code of Conduct for directors and Senior Management Personnel.

We confirm that the Company has in respect of the financial year ended March 31, 2009, received from the Members of the Board and Senior management Personnel a declaration of compliance with the Code of Conduct as applicable to them.

Ahmedabad  
Date: 25<sup>th</sup> April, 2009.

Samveg A. Lalbhai  
Chairman

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## Compliance of Conditions of Corporate Governance

To  
The Members  
The Anup Engineering Limited.  
Ahmedabad

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchange, Ahmedabad, for the year ended on March 31, 2009.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

Based on such a review and to the best of our information and according to the explanations given to us, subject to following-

- i) As Company is in the process of appointing CFO; certificate required under Clause 49 (V), CEO/ CFO certification is signed by CEO and Head (Finance and accounts).

in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the said Listing Agreements.

On the basis of the certificate issued by the Registrars of the Company and the Minutes of meetings of the Shareholders / Investors Grievance Committee of the Company, we state that, there were no investor grievances pending against the Company for a period exceeding one month.

We further state that such compliance is neither an assurance as to the future viability of the Company, nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and behalf of

**DALAL & SHAH**  
Chartered Accountants

**(Ashish Dalal)**  
Partner

(Membership No. 033596)

Mumbai  
25th April, 2009

# **The Anup Engineering Limited**

## **REPORT OF THE AUDITORS TO THE MEMBERS**

We have audited the attached Balance Sheet of The Anup Engineering Limited as at 31<sup>st</sup> March, 2009 and also the Profit and Loss Account and the 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 and 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 standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- 5) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2009 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 with 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 31<sup>st</sup> March, 2009;
  - b. in the case of the Profit and Loss Account, of the Profit 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 Assets. 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.
  - (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. According to the information and explanations given to us, the Company has not granted/ taken any loan secured or unsecured to/ from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
  - iv. In our opinion and according to the information and explanations given to us, there are generally adequate internal control system 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 and services. During the course of our previous assessment, no major weakness in internal control system 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 contracts or arrangements 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 regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service 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.
  - (b) According to the information and explanations given to us and on the basis of our examination of the documents and records there was no disputed statutory dues on account of Income-tax, Sales Tax, Service Tax, Customs Duty, Cess, Disputed Excise Duty is as under which have not been deposited with the appropriate authorities.

Disputed Excise Duty is as under :

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

- x. The Company has neither accumulated losses at the end of the financial year nor has it incurred cash losses, both, in the financial year under report and 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; and there was no dues to a financial institution and debenture holders.
- 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;

## **The Anup Engineering Limited**

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- 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. On the basis of records examined by us, and on relying on the information complied by the Company for co-relating the funds raised to the end use of Term Loans, we have to state that, the Company has prima facie, applied the Term Loans for the purposes for which they were obtained.
- 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.
- xviii. According to the information and explanations given to us during the period, 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 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

**Ashish Dalal**  
Partner  
(Membership No. 033596)

Mumbai  
Date : 25<sup>th</sup> April, 2009.

## BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	Rs.	31st March, 2009 Rs.	31st March, 2008 Rs.
<b>I. SOURCES OF FUNDS:</b>				
(1) Shareholders' Funds:				
(a) Capital	1	34,000,000		34,000,000
(b) Reserves & Surplus	2	<u>177,960,527</u>		<u>95,711,018</u>
			211,960,527	<u>129,711,018</u>
(2) Loan Funds:				
(a) Secured Loans	3	243,378,457		126,144,242
(b) Unsecured Loans	4	<u>46,065,391</u>		<u>70,866,213</u>
			289,443,848	197,010,455
(3) Deferred Tax Liabilities (Net) (See Note 8)			<u>9,821,824</u>	<u>1,889,983</u>
		<b>TOTAL</b>	<b><u>511,226,200</u></b>	<b><u>328,611,456</u></b>
<b>II. APPLICATION OF FUNDS:</b>				
(1) Fixed Assets:				
(a) Gross Block		203,792,762		81,714,109
(b) Less : Depreciation		<u>58,719,524</u>		<u>51,998,703</u>
(c) Net Block	5	145,073,238		29,715,406
(d) Capital Work-in-progress, Cost to Date		<u>926,201</u>		<u>9,889,852</u>
			145,999,439	<u>39,605,258</u>
(2) Investments	6		-	-
(3) Current assets, Loans and Advances :	7			
(a) Inventories		259,997,758		211,757,607
(b) Sundry Debtors		281,272,602		135,005,981
(c) Cash and Bank Balances		11,513,323		7,474,399
(d) Loans and Advances		<u>15,600,145</u>		<u>16,449,642</u>
		<u>568,383,828</u>		<u>370,687,629</u>
Less : Current Liabilities and Provisions :	8			
(a) Liabilities		201,526,944		72,227,304
(b) Provisions		<u>1,630,124</u>		<u>9,454,127</u>
		<u>203,157,068</u>		<u>81,681,431</u>
Net Current Assets			365,226,760	<u>289,006,198</u>
		<b>TOTAL</b>	<b><u>511,226,200</u></b>	<b><u>328,611,456</u></b>

Notes forming part of the Accounts

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As per our attached report of even date.

For and on behalf  
of the Board of DirectorsFor and on behalf of  
**DALAL & SHAH**  
Chartered Accountants  
**Ashish Dalal**  
Partner.(Membership No. 033596 )  
Mumbai.  
25th April, 2009**SAMVEG A. LALBHAI**  
CHAIRMAN**SHREYAS C. SHETH**  
**ARUN P. SHETH**  
DIRECTORSAhmedabad.  
25th April, 2009

# The Anup Engineering Limited

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	Rs.	2008-2009 Rs.	2007-2008 Rs.
<b>INCOME:</b>				
Income from operation	9		867,577,819	664,497,194
Less : Excise Duty			<u>81,195,308</u>	<u>63,036,969</u>
			786,382,511	601,460,225
Other Income	10		<u>2,936,262</u>	<u>1,844,555</u>
			789,318,772	603,304,780
Increase/(Decrease) in Stocks	11		<u>50,710,335</u>	<u>54,833,488</u>
			840,029,107	658,138,268
<b>EXPENDITURE:</b>				
Raw Materials Consumed	12		488,242,805	374,075,519
Manufacturing Expenses	13		122,681,291	93,027,883
Employees' Emoluments	14		33,731,233	20,674,878
Interest and Finance Charges	15		24,168,474	12,240,112
Deferred Revenue Expenditure Written Off			—	1,972,867
Other expenditure	16		38,159,703	33,304,843
Depreciation & amortisation	17		<u>7,267,924</u>	<u>2,898,935</u>
			714,251,430	538,195,037
Profit before Taxation			125,777,677	119,943,231
Provision for Taxation :				
Current Tax		34,900,000		41,000,000
Deferred Tax (See Note 7)		7,931,841		219,044
Fringe Benefit Tax		<u>360,000</u>		<u>215,000</u>
			43,191,841	41,434,044
Profit for the year			<u>82,585,836</u>	<u>78,509,187</u>
Tax adjustment Previous Year			336,327	
			82,249,509	78,509,187
As per last Account			<u>95,508,023</u>	<u>16,998,836</u>
Balance carried to Balance Sheet			<u>177,757,532</u>	<u>95,508,023</u>
Notes forming part of the Accounts	18			
(Basic/diluted earning per share) (See Note 10)			Rs.241.91	Rs. 279.95

As per our attached report of even date.

For and on behalf  
of the Board of Directors

For and on behalf of

**DALAL & SHAH**

Chartered Accountants

**Ashish Dalal**

Partner.

(Membership No. 033596 )

Mumbai.

25th April, 2009

**SAMVEG A. LALBHAI**

CHAIRMAN

**SHREYAS C. SHETH**

**ARUN P. SHETH**

DIRECTORS

Ahmedabad.

25th April, 2009

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**  
(Pursuant to listing agreement with stock exchange)

	2008-2009		2007-2008	
	Rs.	Rs.	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
NET PROFIT BEFORE TAX & EXTRAORDINARY ITEMS		125,777,677		119,943,231
Adjustment for Depreciation & amortisation	7,267,924		2,898,935	
Interest (Net)	24,168,474		12,240,112	
Deferred Revenue Exps.	-		1,972,867	
Surplus on sale of Fixed Assets	(857,525)		-	
		<u>30,578,873</u>		<u>17,111,914</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		156,356,551		137,055,145
Adjustment for :				
Trade & Other Receivables	(148,788,211)		(46,669,471)	
Inventories	(48,240,151)		(86,556,573)	
Trade Payables	<u>129,749,758</u>		<u>(33,683,764)</u>	
		(67,278,604)		(166,909,808)
CASH GENERATED FROM OPERATIONS :		89,077,947		(29,854,663)
Direct Taxes Paid		43,769,546		31,560,224
CASH FLOW BEFORE EXTRA ORDINARY ITEMS		45,308,401		(61,414,887)
Extra Ordinary Item		-		-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>45,308,401</b>		<b>(61,414,887)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of Fixed Assets & Capital Work in Progress	(113,662,105)		(18,151,100)	
Sales of Fixed Assets	857,525		-	
Interest Received	<u>1,073,697</u>		<u>597,684</u>	
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(111,730,883)</b>		<b>(17,553,416)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Total proceeds from borrowings & Share Capital (Net of repayments)		92,433,393		97,435,006
Loan to a Company		(3,270,185)		3,270,185
Interest Paid		<u>25,242,171</u>		<u>12,837,796</u>
<b>NET CASH USED IN FINANCIAL ACTIVITIES</b>		<b>70,461,407</b>		<b>81,327,025</b>
Net Increase/Decrease in Cash & Cash equivalents		4,038,924		2,358,722
CASH & CASH EQUIVALENTS AS AT 1.4.2008 (OPENING BALANCE)		7,474,399		5,115,677
CASH & CASH EQUIVALENTS AS AT 31.03.2009 (CLOSING BALANCE)		<u>11,513,323</u>		<u>7,474,399</u>

Note : Cash & Cash equivalents includes balances with schedule bank in margin money Rs. 1, 11,58,602/- (Previous year Rs. 73,04,165/-) which are not available for use by the company.

As per our attached report of even date.

For and on behalf of

**DALAL & SHAH**  
Chartered Accountants  
**Ashish Dalal**  
Partner.

(Membership No. 033596 )  
Mumbai.  
25th April, 2009

**SAMVEG A. LALBHAI**  
CHAIRMAN

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

Ahmedabad.  
25th April, 2009



# 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, 2009

	31st March 2009 Rs.	31st March 2008 Rs.
<b>SCHEDULE '1' : SHARE CAPITAL</b>		
<b>AUTHORISED:</b>		
5,00,000 Shares of Rs.100/- each	50,000,000	50,000,000
<b>ISSUED:</b>		
3,40,000 Equity Shares of Rs.100/-each	34,000,000	34,000,000
<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
3,32,500 Equity Shares of Rs.100/- each fully paid (including 9,992 Shares issued as fully paid Bonus Shares by way of Capitalisation of Reserve)	33,250,000	33,250,000
<b>TOTAL</b>	<b>34,000,000</b>	<b>34,000,000</b>

Note :

- 2,00,000 Equity Shares of Rs.100/- each have been issued to Arvind Mills Limited on conversion of part of loan, in terms of Board of Industries and Financial Reconstruction Order dt.8th December, 2005 approving the Rehabilitation Scheme.
- Out of the above Shares, 3,00,000 Equity Shares of Rs.100/- each are held by the Holding Company.

## SCHEDULE '2' : RESERVES & SURPLUS:

### CAPITAL RESERVE

As per Last Account	-	1,075
Less: Transferred to General Reserve	-	1,075
	-	-

### SECURITY PREMIUM ACCOUNT

	1,920	1,920
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### GENERAL RESERVE :

As per last Account	201,075	200,000
Add: Transferred From Capital Reserve	-	1,075
	201,075	201,075

Surplus as per annexed account	177,757,532	95,508,023
<b>TOTAL</b>	<b>177,960,527</b>	<b>95,711,018</b>

## SCHEDULE '3' : SECURED LOANS:

From a Bank, secured by equitable mortgage / hypothecation of entire fixed assets of Company comprising of Land, Buildings, Machinery and other miscellaneous assets, Inventories, Book debts, etc. both present and future.

Term Loan	113,376,950	11,994,820
Cash Credit	130,001,507	114,149,422
<b>TOTAL</b>	<b>243,378,457</b>	<b>126,144,242</b>

## SCHEDULE '4' : UNSECURED LOANS:

From Companies	46,065,391	70,866,213
<b>TOTAL</b>	<b>46,065,391</b>	<b>70,866,213</b>

## SCHEDULE '5' : FIXED ASSETS :

FIXED ASSETS	GROSS BLOCK (a)			DEPRECIATION			NET BLCOK			
	As on 31.03.2008 Rs.	Additions Rs.	Deductions Rs.	As on 31.03.2009 Rs.	Up to 31.03.2008 Rs.	Adjust- ments Rs.	For the Year 31.03.2009 Rs.	Up to 31.03.2009 Rs.	As on 31.03.2009 Rs.	As on 31.03.2008 Rs.
<b>Tangible Assets:</b>										
Land, Leasehold	147,107	-	1,195	145,912	-	-	-	-	145,912	147,107
Buildings	14,050,844	29,014,193	-	43,065,037	5,259,382	-	661,207	5,920,589	37,144,448	8,791,462
Machinery	57,107,428	89,267,230	545,908	145,828,750	40,282,981	545,908	5,231,788	44,968,861	100,859,889	16,824,447
Electric Installations	1,768,003	-	-	1,768,003	1,768,003	-	-	1,768,003	-	-
Tube Well	380,490	-	-	380,490	19,215	-	6,232	25,447	355,043	361,275
Furniture & Fixtures	4,898,135	2,814,318	-	7,712,453	3,188,342	-	604,516	3,792,858	3,919,595	1,709,793
Drawings	100,000	-	-	100,000	100,000	-	-	100,000	-	-
Vehicles	1,324,497	801,326	-	2,125,823	92,134	-	195,610	287,744	1,838,079	1,232,363
<b>Intangible Assets:</b>										
Computer Software	1,937,606	728,689	-	2,666,295	1,288,646	-	567,376	1,856,022	810,273	648,960
<b>Total Rs.</b>	<b>81,714,109</b>	<b>122,625,756</b>	<b>547,103</b>	<b>203,792,762</b>	<b>51,998,703</b>	<b>545,908</b>	<b>7,266,729</b>	<b>58,719,524</b>	<b>145,073,238</b>	<b>29,715,406</b>
<b>Previous Year's Total</b>	<b>Rs.71,753,056</b>	<b>9,962,248</b>	<b>1,195</b>	<b>81,714,109</b>	<b>49,100,963</b>	<b>-</b>	<b>2,897,740</b>	<b>51,998,703</b>	<b>29,715,406</b>	<b>-</b>

Notes : (a) At cost, except Leasehold Land which is at cost less amounts written off.

	31st March 2009 Rs.	31st March 2008 Rs.
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## SCHEDULE '6' : INVESTMENTS; AT COST:

## In Government and Trust Securities:

72 6.75% Bonds of Rs.100/- each of  
Unit Trust of India, Quoted  
( Market Value Rs.7326/-.)

TOTAL

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

## (a) Inventories:

Stores & Spares, at cost or net realisable  
value whichever is lower

9,291,777

11,435,889

Stock-in-Trade : at cost or net realisable  
value whichever is lower

Raw Materials

63,912,321

63,689,522

Work-in-Progress

177,116,525

124,663,153

Finished Goods

7,242,165

9,338,278

248,271,011

197,690,953

Goods in Transit, at cost, to date

2,434,970

2,630,765

As per Inventory taken, certified and Valued by the Management

259,997,758

211,757,607

## (b) Sundry Debtors, Unsecured, Good:

(i) Outstanding for more than six months

28,482,155

20,673,685

(ii) Other

252,790,447

114,332,296

281,272,602

135,005,981

## (c) Cash and Bank Balances :

Cash on hand

321,939

134,827

Bank Balances :

With Scheduled Banks :

In Current Account

32,782

35,407

In Margin Deposits

11,158,602

7,304,165

11,191,384

7,339,572

11,513,323

7,474,399

Carried Over

552,783,683

354,237,987

# The Anup Engineering Limited

	Rs.	31st March 2009 Rs.	31st March 2008 Rs.
<b>Brought Over</b>		<b>552,783,683</b>	<b>354,237,987</b>
<b>(d) Loans and Advances, Unsecured, Good:</b>			
Loan to a Company		-	3,270,185
Advances recoverable in cash or in kind or for value to be received	14,961,011		8,850,482
Balance with Customs and Collectorate of Central Excise	487,134		4,076,073
Advance Fringe Benefit tax less provision	152,000		252,902
		<u>15,600,145</u>	<u>13,179,457</u>
		<u>15,600,145</u>	<u>16,449,642</u>
<b>TOTAL</b>		<b><u>568,383,828</u></b>	<b><u>370,687,629</u></b>
<b>SCHEDULE '8' : CURRENT LIABILITIES AND PROVISIONS :</b>			
<b>(a) Liabilities :</b>			
Sundry Creditors :			
Due to Micro, Small and Medium Enterprises (Refer Note 11 of Schedule 18)			
Others:			
For Goods:	69,590,911		13,699,680
For Expenses	23,023,299		6,275,146
Others	10,389,881		5,261,055
		<u>103,004,091</u>	<u>25,235,881</u>
Advances from Customers		<u>98,522,853</u>	<u>46,991,423</u>
		<u>201,526,944</u>	<u>72,227,304</u>
<b>(b) Provisions :</b>			
Provision for Income Tax, Net of Advances	1,575,531		10,509,502
Less: MAT Credit Entitlements	1,561,407		2,221,257
		<u>14,124</u>	<u>8,288,245</u>
For Leave Entitlement		<u>1,616,000</u>	<u>1,165,882</u>
		<u>1,630,124</u>	<u>9,454,127</u>
<b>TOTAL</b>		<b><u>203,157,088</u></b>	<b><u>81,681,431</u></b>
		<b>2008-2009</b>	<b>2007-2008</b>
<b>SCHEDULE '9' : INCOME FROM OPERATION</b>			
Sales (Including Excise Duty) (Net)	876,412,628		674,076,090
Fabrication Charges (Including Excise Duty)	7,689,565		19,152,555
	<u>884,102,193</u>		<u>693,228,645</u>
Less : Late Delivery Charges	20,955,268		29,945,509
		<u>863,146,925</u>	<u>663,283,136</u>
Job Work Charges		<u>4,430,894</u>	<u>1,214,058</u>
<b>TOTAL</b>		<b><u>867,577,819</u></b>	<b><u>664,497,194</u></b>
<b>SCHEDULE '10' : OTHER INCOME:</b>			
Exchange Rate Difference (Net)		202,225	-
Sales Tax Refunds		-	145,706
Miscellaneous Income		1,757,083	995,983
Sundry Credit Balances appropriated		51,481	659,685
Surplus on sale of Fixed Assets		857,525	-
Provisions no longer required		67,948	43,181
<b>TOTAL</b>		<b><u>2,936,262</u></b>	<b><u>1,844,555</u></b>

	2008-2009	2007-2008
	Rs.	Rs.
<b>SCHEDULE '11' : INCREASE/(DECREASE) IN STOCKS:</b>		
Stocks at Close:		
Work-in-Progress	177,166,525	124,663,153
Finished Goods	<u>7,242,165</u>	<u>9,338,278</u>
	184,358,690	134,001,431
Less : Stocks at Commencement:		
Work-in-Progress	124,663,153	38,762,641
Finished Goods	<u>9,338,278</u>	<u>47,250,855</u>
	134,001,431	86,013,496
	50,357,259	47,987,935
Excise Duty variations on Opening/Closing Stock	353,076	6,845,553
<b>TOTAL</b>	<b><u>50,710,335</u></b>	<b><u>54,833,488</u></b>
<b>SCHEDULE '12' : MATERIALS:</b>		
Raw Materials Consumed:		
Stocks at Commencement	63,689,522	30,990,600
Purchases	<u>489,993,574</u>	<u>406,774,441</u>
	553,683,096	437,765,041
Less : Sales	1,527,970	-
Less : Stocks at Close	<u>63,912,321</u>	<u>63,689,522</u>
<b>TOTAL</b>	<b><u>488,242,805</u></b>	<b><u>374,075,519</u></b>
<b>SCHEDULE '13' : MANUFACTURING EXPENSES:</b>		
Stores Consumed	16,546,126	10,390,789
Power & Fuel	14,106,639	8,049,542
Job Work Charges	72,431,330	66,290,873
Building Repairs	5,051,686	2,706,780
Machinery Repairs	<u>14,545,510</u>	<u>5,589,899</u>
<b>TOTAL</b>	<b><u>122,681,291</u></b>	<b><u>93,027,883</u></b>
<b>SCHEDULE '14' : EMPLOYEES' EMOLUMENTS:</b>		
Salaries, Wages, Bonus etc.	28,681,508	18,422,871
Contribution to Provident & Other Funds	2,688,005	1,829,925
Welfare Expenses	2,245,206	340,174
Employee Cost	<u>116,514</u>	<u>81,908</u>
<b>TOTAL</b>	<b><u>33,731,233</u></b>	<b><u>20,674,878</u></b>

# The Anup Engineering Limited

	2008-2009	2007-2008
Rs.	Rs.	Rs.
<b>SCHEDULE '15' : INTEREST AND FINANCE CHARGES: (NET)</b>		
Interest :		
On Fixed Loans	12,654,316	7,358,147
Other	<u>12,587,855</u>	<u>5,392,389</u>
	25,242,171	12,750,536
Less : Interest Received From Banks (Gross, Tax deducted Rs. 1,86,131/-, Previous Year Rs. 32,275/-), other	<u>1,073,697</u>	<u>597,684</u>
	24,168,474	12,152,852
Bill Discounting Charges	-	87,260
<b>TOTAL</b>	<b><u>24,168,474</u></b>	<b><u>12,240,112</u></b>
<b>SCHEDULE '16' : OTHER EXPENDITURE:</b>		
Rent	7,610	7,610
Rates & Taxes	505,614	398,372
Insurance	561,350	368,191
Other Repairs	3,137,377	2,168,611
Freight, Octroi etc.	2,785,806	3,246,487
Selling commission	555,216	916,155
Auditor's Remuneration	267,116	140,935
Legal & Professional Fees	2,591,007	3,286,140
Retainer Fees	2,588,516	2,164,188
Directors' Fees	50,000	57,500
Travelling Expenses	3,544,805	2,604,251
Bank Charges	6,957,210	6,092,709
Miscellaneous Expenses	9,180,369	6,898,793
Inspection Charges	5,361,217	3,866,877
Bad Debts	-	128,583
Sundry Debit Balance Written Off	11,637	78,446
Exchange Rate Difference	-	470,651
Capital Issue Expenses	-	374,850
Brokerage	54,854	35,494
<b>TOTAL</b>	<b><u>38,159,703</u></b>	<b><u>33,304,843</u></b>
<b>SCHEDULE '17' : DEPRECIATION AND OTHER AMORTISATION :</b>		
Amortisation of leasehold land	1,195	1,195
Depreciation	<u>7,266,729</u>	<u>2,897,740</u>
<b>TOTAL</b>	<b><u>7,267,924</u></b>	<b><u>2,898,935</u></b>

	2008-2009 Rs.	2007-2008 Rs.
<b>SCHEDULE '18': NOTES FORMING PART OF THE ACCOUNTS :</b>		
<b>1 Contingent Liabilities not provided for in respect of :</b>		
(a) Bills and cheques discounted Since Realised	—	7,537,039
(b) Claims against the Company not acknowledged as Debts	525,545	525,545
(c) Excise matter under appeal	169,538	169,538
Note : Future cash outflows in respect of (b) and (c) above are determinable on receipt of judgements / decisions pending with various forums / authorities.		
1A Estimated amount of Contracts remaining to be executed on Capital account and not provided for	72,500	22,000,055
<b>2 Payment to Auditors:</b>		
i. As Auditors	140,000	80,000
ii. In other capacity :		
For Tax Audit	20,000	20,000
For Certificate	100,500	38,500
iii. For Expenses	6,616	2,435
	<b>* 267,116</b>	<b>140,935</b>

\* Excluding service tax

3 Guarantees given by Company's Bankers are secured by extension of hypothecation charge on Raw-materials, Finished Goods, Work-in-progress, etc. and against charge on Fixed Assets of the Company.	181,260,462	117,807,160
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**4 Raw Materials Consumption and Imported and Indigenous Consumption:**

**(a) Raw Materials Consumption:**

	2008-2009		2007-2008	
	Qty.	Rs.	Qty.	Rs.
Metal Sheets & Plates	3661 MT.) 237 NOS.)	209,974,996	2653 MT.) 312 NOS.)	143,982,536
Metal Pipes & Tubes	477318 Mtrs.	80,706,573	496062 Mtrs.	68,554,717
Structural Materials	122 MT.)	8,196,937	229 MT.) 13 Nos.)	11,057,613
Welding Electrodes	35 MT.) 1213608 Nos.)	16,099,388	6 MT.) 1167405 Nos.)	11,229,519
Components		173,264,911		139,251,134
<b>TOTAL..</b>		<b>488,242,805</b>		<b>374,075,519</b>

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

	2008-2009		2007-2008	
	Rs.	Percentage	Rs.	Percentage
Imported	19,510,218	4.00%	93,964,986	25.12%
Indigenous	468,732,587	96.00%	280,110,533	74.88%
<b>TOTAL</b>	<b>488,242,805</b>	<b>100.00%</b>	<b>374,075,519</b>	<b>100.00%</b>

## The Anup Engineering Limited

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

(a) Licensed & Installed Capacity & Production:

CLASS OF GOODS	LICENSED CAPACITY		*INSTALLED CAPACITY		PRODUCTION (INCL.LABOUR JOBS)	
	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008
Chemical & Pharmaceutical Machinery	1900 MT.	1900 MT.	1900 MT.	1900 MT.	3415 MT.	3051 MT.
Industrial Centrifuges	100 Nos.	100 Nos.	100 Nos.	100 Nos.	8 Nos.	15 Nos.
**Dairy Machinery & Equipments	Rs.125 Lacs	Rs.125 Lacs				
Expansion Joints & Bellows	130 MT.	130 MT.	130 MT.	130 MT.	0 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	2008-2009	14	7,214,879	100	6,835,948	1,718	832,431,964
	2007-2008	27	37,915,447	14	7,214,879	617	591,362,260
Industrial Centrifuges	2008-2009	2	2,116,455	1	399,273	8	33,468,032
	2007-2008	8	9,328,464	2	2,116,455	15	72,765,902
*Dairy Machinery & Equipments	2008-2009	-	-	-	-	-	-
	2007-2008	-	-	-	-	-	-
Expansion Joints & Bellows	2008-2009	1	6,944	1	6,944	-	-
	2007-2008	1	6,944	1	6,944	4	116,480
*Soda Ash Plant, Equipments & Components	2008-2009	-	-	-	-	-	-
	2007-2008	-	-	-	-	-	-
Other	2008-2009	-	-	-	-	-	10,512,632
	2007-2008	-	-	-	-	-	9,831,448
TOTAL..	2008-2009		9,338,278		7,242,165		876,412,628
	2007-2008		47,250,855		9,338,278		674,076,090

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

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

## 6. Employee Benefits:

**(A) Defined Benefit Plans:**

Disclosure for defined benefit plans based on actuarial reports as on 31.03.2009.

Expenses recognised for the year ended on March 31, 2009

(included in schedule 14 of Profit and Loss Account)

(Rs.)

	Gratuity Funded	
	31-03-2009	31-03-2008
1 Current Service Cost	5,55,383	2,45,653
2 Interest Cost	2,81,772	2,88,634
3 Expected Return on Plan Assets	(3,71,980)	(3,31,481)
4 Employer Contribution (Receipt)	-	-
5 Actuarial Losses (gains)	5,65,815	3,75,408
<b>Expenses Recognised in Profit &amp; Loss A/c.</b>	<b>10,30,990</b>	<b>5,78,214</b>

Net Asset (Liability) recognised in the Balance Sheet as on 31st March, 2009

1 Present value of Defined Benefit Obligation	49,23,349	36,62,676
2 Fair Value of Plan Assets	46,03,541	36,62,676
3 Funded Status (Surplus/Deficits)	3,19,868	(3,62,645)
<b>Net Assets / (Liability)</b>	<b>(3,19,808)</b>	<b>(3,62,645)</b>

Reconciliation of Net Assets / (Liability) recognised in the Balance Sheet as on 31st March, 2009

1 Net Assets(Liability) at Beginning of year	(3,62,545)	(7,31,132)
2 Employer Contribution	10,30,990	5,78,214
<b>Net Assets / (Liability) at the end of the year</b>	<b>10,73,827</b>	<b>(1,52,918)</b>
Actual Return on Plan Assets	5,40,444	3,66,920
1 Discount Rates	7.00%	7.70%
2 Expected Rate of Return on Plan Asset	9.00%	9.00%
3 Expected Rate of Salary Increase	6.00%	6.00%
4 Monthly Post – Retirement		

**Major Category of Plan Assets as a percentage of total plan**

1 Life Insurance Corporation of India	93%	93%
2 Special Deposit	7%	7%

**(B) Defined Contribution Plan:**

Amount of Rs.15,97,114/- (previous year Rs. 12,06,480/-) recognized as expenses and included in the Schedule 14 "Contribution to Provident & Other Funds" to the Profit & Loss Accounts.



# The Anup Engineering Limited

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

(C) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Mortality rates are obtained from the relevant data of Life Insurance Corporation of India.

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

	2008-2009	2007-2008
	Rs.	Rs.
(a) C.I.F. Value of Imports:		
Raw Materials	4,36,53,266	7,92,76,844
Capital Goods	1,75,36,176	-
(b) Expenditure in Foreign Currency:		
Other Matters	8,59,634	6,06,412
(c) Earnings in Foreign Currency:		
F.O.B. Value of Exports	94,54,767	1,68,30,456

### 8. Taxation:

- (a) Provision for current tax for the year has been made pursuant to the Income-tax Act, 1961.  
(b) Deferred Taxation

	As on 31.03.2008 the year (Rs.)	Charge/ Credit for (Rs.)	As on 31.03.2009 (Rs.)
Deferred Tax Liability on account of :			
i. Depreciation	23,99,086	80,84,836	104,83,922
	23,99,086	80,84,836	104,83,922
Deferred Tax Asset on account of:			
i. Expenses allowable for tax purpose when paid	5,09,103	1,52,995	6,62,098
Net deferred tax Liability / (Assets)	18,89,983	79,31,841	98,21,824

### 9. Related Party Information:

- A. Name of related party and nature of relationship:  
Arvind Mills Limited- Holding Company  
Arvind Products Limited- Fellow Subsidiary Company.  
Arvind Accel Limited - Fellow Subsidiary Company  
Mr. Sanjay R. Lapalikar - Key Management Personnel

Sr. No.	Name of the Party	Relationship	Nature of Transaction	Amount Rs.		Outstanding Balance Rs.	
				2008-2009	2007-2008	2008-2009	2007-2008
1	Arvind Mills Limited	Holding Company	Fabrication Charges		106742		27140
			Conversion of Loan into Equity Share Capital		20000000		(1562882)
			Loan taken	36000000	-	(37562882)	
			Sales Advance		14500000	(10229580)	14500000
2	Arvind Products Limited	Fellow Subsidiary Company	Sales		1271025		200000
3	SR Lapalikar	CEO	Salary	2634367	-	-	-
4	Arvind Accel Limited	Fellow Subsidiary Company	Site Erection	1685400	-	(854006)	-

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

10. Earning Per Share:	31-03-2009	31-03-2008
	Rs.	Rs.
Profit for the year attributable to the Equity Shareholders	8,22,49,509	7,85,09,187
Basic/Weighted average number of Equity Shares outstanding during the year	3,40,000	3,40,000
Nominal Value of Equity Share	Rs.100/-	Rs.100/-
Basic & Diluted earning per Share	Rs. 241.91	Rs. 279.95

## 11. Micro, Small and Medium Enterprises Dues:

The Company has not received any intimation from suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence required disclosures stated as under have not been made:

- Amount due and outstanding to suppliers at the end of accounting year - NIL
- Interest paid during the year - NIL
- Interest payable at the end of the accounting year - NIL
- Interest accrued and unpaid at the end of the accounting year - NIL

The Company is making efforts to get the confirmations from the suppliers as regards their status under the Act.

- Company has only one business segment - 'Engineering'
- Significant Accounting Policies followed by the Company are as stated in the Statement annexed to this Schedule as Annexure-I.
- Information required in terms of Part-IV of Schedule-VI to the Company's Act, 1956 is attached.
- 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  
**Ashish Dalal**  
Partner  
(Membership No. 033596 )  
Mumbai.  
25<sup>th</sup> April, 2009.

**SAMVEG A. LALBHAI**  
CHAIRMAN

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

Ahmedabad.  
25<sup>th</sup> April, 2009

# The Anup Engineering Limited

ANNEXURE-I REFERRED TO IN NOTE 13 IN SCHEDULE 18 TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009.

## 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.

### 2. FIXED ASSETS AND DEPRECIATION :

#### (A) FIXED ASSETS

Fixed Assets are carried at cost of acquisition or construction 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) Tangible Assets :

- (i) Depreciation is provided on 'Straight line basis in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956.
- (ii) Depreciation on additions to assets up to 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 up to the month of Sale, discarding or demolition of said assets.

##### (c) Intangible Assets :

Intangible assets consisting of software are recorded at their acquisition cost and amortised on straight line method from the date they are available for use, over their estimated economic life not exceeding three years.

### 3. REVENUE RECOGNITION:

#### (a) Sales:

1. Domestic Sales are accounted on dispatch of products to customers
2. Export sales are accounted on the basis of the dates of Bill of Lading.
3. Sales are disclosed net of VAT, as applicable but including Excise Duty
4. Sales excludes self consumption.

#### (b) Fabrication Charges / Job Work Charges :

Revenue from the fabrication / job work is recognized as per the terms of the contract with the customer.

#### (c) Late Delivery Charges:

Late delivery charges are provided for, as per contractual terms or acceptance in the year of delivery.

### 4. INVESTMENTS :

Investments are valued at cost of acquisition.

### 5. INVENTORIES :

- i) Stores, spares, etc. are valued at cost or net realisable value whichever is lower. Cost is arrived at on F.I.F.O. basis..

- ii) Raw Materials are valued at cost or market value whichever is lower. Cost is arrived at on F.I.F.O. basis.
- iii) Work-in-Progress are valued at cost or net realisable value whichever is lower.
- iv) Finished Goods are valued at cost or net realisable value whichever is lower including excise duty.
- v) Obsolete & unserviceable stocks are valued at estimated realisable value.
- vi) Goods in transit and in Bonded Warehouse are stated at actual cost up to the date of the Balance Sheet.

**6. EXCHANGE FLUCTUATIONS :**

Monetary Current Assets and Monetary Current Liabilities in Foreign Currency outstanding at the close of the Financial year are valued at the 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.

**7. EMPLOYEE BENEFITS:**

- a) Defined Contribution Plan;

Company's contribution paid/payable during the period to Provident Fund, Officer Super Annuation Fund, ESIC and Labour Welfare Fund are recognized in the Profit & Loss Account.

- b) Defined Benefit Plan:

Provision by payments to the Employees Gratuity Fund after taking into account the funds available with the Trustees of the Gratuity Fund is based on actuarial valuation done at the close of each financial year. At the reporting date Company's liabilities towards gratuity is determined by independent actuarial valuation using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the statement of Profit and Loss account as income or expenses. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the current and estimated terms of the defined benefit obligation.

- c) Leave Entitlement:

Provision for leave encashment is accrued and provided for at the end of financial year on the basis of an actual liability.

- d) Voluntary Retirements:

Compensation payable under the Voluntary Retirement Scheme is being charged to Profit and Loss Account.

**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.

MAT Credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax within the specified period.

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.

Fringe Benefit Tax has been calculated in accordance with the provisions of the Income-tax Act, 1961.

**The Anup Engineering Limited**

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 me/our behalf at the Annual General Meeting of the Company to be held on 28th July, 2009 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009

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 26th July, 2009.

# The Anup Engineering Limited

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## NOTICE

NOTICE is hereby given that the 46<sup>TH</sup> Annual General Meeting of the Members of the Company will be held on **Tuesday, the 28th July 2009 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, 2009 and Profit & 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 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.

### SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modifications, the following Resolution, as an Ordinary Resolution:

**"RESOLVED THAT** in supersession of earlier resolution passed in the Extra Ordinary General Meeting of the Company held on 16<sup>th</sup> March, 1993 and pursuant to the provisions of Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money from time to time notwithstanding that the money to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the Paid Up Capital of the Company and its free reserves, so however, that the total amount upto which the moneys borrowed by the Board of Directors and their outstandings at any time shall not exceed the sum of Rs.100 Crores (Rupees One Hundred Crores only) with or without security as the Board of Directors deem fit.

Registered Office:  
Behind 66 KV Electric Sub Station,  
Odhav Road,  
Ahmedabad-382 415.  
25<sup>th</sup> April, 2009

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 copy of Annual Report for 2008-2009 is enclosed herewith.
3. The Register of Members and Share Transfer Books will be closed from **July 21, 2009 to July 28, 2009** (both days inclusive) for the purpose of ascertaining the validity of transfer deeds.
4. Members are requested to bring their copies of the Annual Report to the meeting.
5. At the ensuing Annual General Meeting Mr. Chandrakant T. Parikh retire by rotation and being eligible offer themselves for reappointment. The information or details required to be furnished under the Listing Agreement pertaining to a Director seeking reappointment.

Particulars	Information of a Director seeking re-appointment
Name	Chandrakant T. Parikh
Date of Birth	16.08.1927
Brief Resume	B. Sc.
Directorship in other Companies	Nil
Position in Committees of other Companies	Nil
Number of shares held in the Company	Nil

Registered Office:  
Behind 66 KV Electric Sub Station,  
Odhav Road,  
Ahmedabad-382 415.  
25<sup>th</sup> April, 2009

By Order of the Board,  
**SAMVEG A. LALBHAI**  
CHAIRMAN

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**EXPLANATORY STATEMENT IN ACCORDANCE WITH THE PROVISIONS OF SECTION 173 OF THE COMPANIES ACT, 1956**

**ITEM NO. 4**

The resolution at Item no. 4 of the Notice relates to the giving of prior consent of the members of the Company to the Board of Directors of the Company to borrow upto an increased limit of Rs.100 Crores. Pursuant to resolution passed in the Extra Ordinary General Meeting held 16<sup>th</sup> March, 1993 the borrowing powers of the Board was limited to Rs.10 Crores. An increase in borrowing power has become necessary to meet with the requirements arising out of future expansion and diversification of the activities of the Company. Hence the resolution under section 293 (1) (d) is proposed for the consent of the members of the Company for increase in the borrowing limit of the Board up to Rs. 100 Crores, in the aggregate at any one time.

None of the Directors is in any way concerned or interested in this resolution proposed to be passed.

Your directors recommend the resolution for your approval.

Registered Office:  
Behind 66 KV Electric Sub Station,  
Odhav Road,  
Ahmedabad-382 415.  
25<sup>th</sup> April, 2009

By Order of the Board,  
**SAMVEG A. LALBHAI**  
CHAIRMAN

**INFORMATION REFERRED TO IN NOTE 14 IN SCHEDULE 18 TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009**

**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
31.03.2009

**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

5112.26
5112.26

**Sources of Funds:**

Paid-up Capital  
Reserve & Surplus  
Secured Loans  
Unsecured Loans  
Deferred Tax Liabilities (Net)

340.00
1779.61
2433.78
460.65
98.22

**Application of Funds:**

Net fixed Assets  
Investments  
Net Current Assets  
Misc.Expenditure  
Accumulated Losses

1459.99
-
3652.27
-
-

**IV. Performance of Company**

Turnover (Incl.other income)  
Total Expenditure  
Profit before Tax  
Profit after Tax  
Earning Per Share in Rs.  
Dividend Rate %

7893.19
6635.41
1257.78
822.50
241.91
-

**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



Book - Post

To,

*If Undelivered please return to :*

**THE ANUP ENGINEERING LIMITED**

Behind 66 KV Elec. Sub-Station,

Odhav Road, Ahmedabad-382 415