

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. : (079)22870622

AUDITORS :

MESSERS SORAB S ENGINEER & CO.
Chartered Accountants

BANKERS :

Bank of Baroda

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 49th Annual Report together with the audited statements of Accounts for the year ended 31st March, 2012

1. FINANCIAL RESULTS :

	2011-2012 (Rs.in Lacs)	2010-2011 (Rs.in Lacs)
Profit before Interest, Depreciation & Taxation	506.90	826.25
Less : Interest	276.79	352.62
Depreciation & Write off	<u>204.59</u>	<u>187.83</u>
	481.38	540.45
Provision for Taxation		
- Current	5.00	58.50
- Deferred	11.94	104.77
- Less: MAT Credit Entitlements	<u>3.02</u>	<u>58.50</u>
	<u>13.92</u>	<u>104.77</u>
Profit for the year	11.60	181.03
Adjustments of earlier years	-	-
	<u>11.60</u>	<u>181.03</u>
Add: Balance as per last Balance Sheet	<u>2865.46</u>	<u>2757.95</u>
Balance available for appropriation	2877.06	2938.98
Less : Transfer to General Reserve	-	34.00
Proposed Dividend	-	34.00
Tax on above	-	5.52
Balance Carried to Balance Sheet	<u>2877.06</u>	<u>2865.46</u>

To conserve the resources your Directors propose to skip the payment of Dividend for the year.

2. OPERATIONS:

Your Directors are pleased to report that during the year your company could achieve turnover of Rs. 7446 Lacs as against Rs. 8868 Lacs during the year 2010-11. The Turnover for the year was lower than the previous year because of slow down in the capital industry. Profit for the year also reduced from Rs. 181 Lacs to Rs. 12 Lacs during the previous year. Profit before interest, depreciation and tax shown decline from Rs. 826 Lacs to Rs. 507 Lacs because of lower turnover.

3. PROSPECTS:

Unprecedented slow down has affected the developed economies of the world and in particular European Unions to a great extent. Even the Euro as a currency has experienced a threat within the member countries. Developing economies are also experiencing the heat of this turmoil. India is no exception. Further steep rise in crude prices coupled with depreciation in rupee value has affected the Current Account balance of the country. On the local front government and RBI trying hard to control the inflation but the results are far from satisfaction even after series of actions by RBI including increase in REPO and REVERSE REPO rates several times. The rising cost of borrowing and increase in major commodity prices coupled with double digit inflation has affected the economic development of the country. The GDP growth rate guidance is revised several times with a negative bias from 8.6 % to 7.2 %. All these have affected the Capital Expenditure program of various companies across the industries. Your company is directly affected by such an industrial scenario. In view of this your company is striving hard to maintain the momentum of

The Anup Engineering Limited

revival your company has achieved over last couple of years. The order book position of your company is reasonable and your directors are hopeful of improved economic scenario and in turn working of your company.

4. EMPLOYEES:

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

There is no employee drawing salary of Rs. 5,00,000/- per month or Rs. 60,00,000/- per annum during the year under report and as such no information is required to be given under Section 217(2a)(b) of the Companies Act, 1956 and forming part of the Director's Report for the year ended on 31.3.2012

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 Chandrkant T Parikh Director of the Company, retire by rotation and being eligible, offer himself for re-election.

9. AUDITORS :

You are requested to reappoint 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.
5th May 2012.

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 :

	<u>2011-2012</u>	<u>2010-2011</u>
1. (a) Electricity :		
Units	1589300	1770100
Total Amount (Rs.)	9237931	9638486
Rate/Unit (Rs.)	5.81	5.45
(b) Own Generation :		
(Through Diesel Generator)		
Units	33240	33888
Total Amount (Rs.)	585344	665762
Rate/Unit (Rs.)	17.51	19.65
2. Furnace Oil:		
Qty (Liters)	141300	193540
Cost	5479231	7911386
Rate per Liters	38.78	40.88

FORM B

B. TECHNOLOGY ABSORPTION :

Research and Development :

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

The Company has a Research and 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 and D:

As a result of Company's Research and 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 and D set out under para (a) above.

(d) R and D Expenditure:

	2011-2012 (Rs.in Lacs)	2010-2011 (Rs.in Lacs)
Capital	-	-
Recurring	60.50	55.02
Total	60.50	55.02
Total R and D Expenditure as % of Total Turn Over	0.81	0.62

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 and 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.

COMPLIANCE CERTIFICATE

CIN : L99999GJ1962PLC001170

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, 2012. 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 11/05/2011, 26/07/2011, 03/11/2011 and 07/02/2012 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 08/07/2011 to 15/07/2011 during the financial year.
6. The Annual General Meeting for the financial year ended on 31/03/2011 was held on 15/07/2011 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 during the year under review.
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. The Company has issued duplicate share certificate during the year under review.
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 has deposited the amount of dividend in a separate Bank Account within the prescribed period during the financial year.
(iii) The Company had posted warrants for dividend to all members of the Company within a period of 30 days from the date of declaration.
(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 redeemed 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 is within the borrowing limits and in compliance with the provisions of Section 293(1) (d) of the Companies Act, 1956.
 25. The Company has not given any loans or provided any guarantees to other bodies corporates during the financial year, however it had already complied with the provision of Section 372A of the Companies Act, 1956 in respect of the previous year.
 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

5th May 2012.

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 31/03/2012

SR. 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.	Statement in Lieu of Advertisement. (Form-62)	Rule 4A of Companies (Acceptance of Deposit) Rules, 1975	Accept Deposit for the year 2011-12	31/05/2011	YES	N.A.
2.	Form 66	383A	Compliance Certificate	05/08/2011	YES	N.A.
3.	Balance Sheet (Form 23AC & Form 23ACA)	220	31/03/2011	28/12/2011	YES	N.A.
4.	Annual Return (Form 20B)	159	15/07/2011	12/09/2011	YES	N.A.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The sales of the company shown decline during the year from Rs. 8868 Lacs to Rs.7446 Lacs. The Turnover for the year was lower than the previous year because of slow down in the capital industry. Profit for the year also reduced from Rs. 181 Lacs to Rs. 12 Lacs during the previous year. Profit before interest, depreciation and tax shown decline from Rs. 826 Lacs to Rs. 507 Lacs because of lower turnover.

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 caters 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 tuners and vessels, expansion bellows etc.

Opportunities and threats

Though the slow down world over had not affected the Indian Economy in the initial years after effects has impacted India also. Your company was holding reasonable order book position at the beginning of the financial year but the mix of orders and margins in orders in hand were not healthy as in the earlier years. Further, increase in Raw Material prices coupled with constant double digit inflation and rising interest rates badly affected the performance of the Company.

Situation in the current year has not yet improved. Further inflation has not shown signs of major improvement even during the current year. The Central bank has continued to tighten monetary policy and is taking series of measures to curb the inflation. But the impact of this has resulted in increased finance cost. Order book position at the beginning of the year is reasonable but not to the satisfaction of the Management. Even the profit margin may not be comparable to the earlier years. Still with improved productivity, focus on new markets and change in product mix your company is reasonably sure to improve the performance as against the year under report.

Strengths and Weakness:

As reported last year your company further increased its Manufacturing facilities and entered in higher weight equipment manufacturing segment. Company is "U" stamp manufacturer and is also ISO 9001:2000 registered company. Company has also obtained OHSAS registration. Company has also obtained "U2" "S" and "R" Certification. With this Company would be in a better position to explore the Export Market. Company makes use of latest engineering software technology like Microprotol, PVELITE-2009, COMPRESS-6260, PERT-CPM, IMMS etc. as design, manufacturing and process control tools. 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.

Even after early recovery slow progress in Capital Expenditure Program of Large Industrial Houses, delay in execution, huge working capital requirements, terms dictating capacities of large customers etc. may affect the profitability of the company.

Outlook

Though Company is having reasonable orders on hand but compared to earlier years the position of orders on hand is little lower. Hence the future working of the company will largely depend on the improvement in the Capital Expenditure Program of Large Industrial Houses and continued expansion of Public Sector Undertakings which are major customers of the company. Even during the current year 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 in the industry is on a very high level. 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.

Ahmedabad

5th May 2012.

For and on behalf of the Board of Directors
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.

REPORT ON CORPORATE GOVERNANCE

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

The Company believes that Corporate Governance is the application of best management practices, compliance of laws, rules, regulations and adherence to standards to achieve the object of the Company, enhance shareholder value and discharge of social responsibility. Corporate Governance is way of life, rather than a mere legal compulsion. The Company does not view Corporate Governance principles as a set of binding obligations, but believes in using it as a framework to be followed in spirit. This is reflected in the Company's philosophy on Corporate Governance. The Company believes that Corporate Governance helps to achieve commitment and goals to enhance stakeholders' value by focusing towards all stakeholders. The core values of the Company are based on integrity, emphasis on product quality and transparency in its dealing with all stakeholders.

2) **Board of Directors:**

The Board has an optimum combination of Executive and Non-Executive Directors, and is in conformity with Clause 49 of Listing Agreement entered into with the stock exchange in which the Company's shares are listed. 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 31st March 2012:**

The details of composition of the Board and summary of other directorships and Board Committee Memberships of each of Directors as on 31st March, 2012 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	02	Membership _ 1
2.	Mr. Arun P. Sheth – Director	Non Executive-Non-Independent	01	-
3.	Mr. Shreyas C. Sheth – Director	Non Executive – Independent	01	-
4.	Mr. Chandrakant T. Parikh – Director	Non Executive – Independent	-	-
5.	Mr. Pankaj S. Sheth – Director	Non Executive – Independent	-	-

All the Directors have made the requisite disclosures regarding Committee positions held by them in other companies. None of the Directors on the Company's Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (Committees being Audit Committee and Investors' Grievance Committee) across all the companies in which he is a Director. And none of them hold the office of Director in more than 15 public companies.

2.2 **Number, Day, Date and Venue of the Board Meetings held in the year 2011-2012 :**

The Company holds at least four board meetings in a year with at least one meeting in each quarter to review the quarterly financial results and other items of the Agenda. Additional meetings are held when necessary. Meeting of the Board are scheduled well in advance. The Board of Directors met 4 times during the year and maximum gap between any two meetings was less than 4 months. Details are as follows:

Sr. No.	Day	Date	Venue
1	Wednesday	11.05.2011	Ahmedabad.
2	Tuesday	26.07.2011	Ahmedabad.
3	Thursday	03.11.2011	Ahmedabad.
4	Tuesday	07.02.2012	Ahmedabad.

Information placed before the Board of Directors broadly covered the items specified in Clause 49 of the *Listing Agreement and such other items which are necessary to facilitate meaningful and focused deliberations on issues concerning the Company and taking decisions in an informed and efficient manner.*

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 2011-12		Annual General Meeting on Dt. 15/07/2011
		Total	Attended	
1.	Mr. Samveg A. Lalbhai - Chairman	4	4	Yes
2.	Mr. Arun P. Sheth – Director	4	3	No
3.	Mr. Shreyas C. Sheth – Director	4	4	Yes
4.	Mr. Chandrakant T. Parikh – Director	4	4	No
5.	Mr. Pankaj S. Sheth – Director	4	2	Yes

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 Board of Directors has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct has also been posted on the website of the Company. The Members of the Board and Senior Management personnel have, on March 31, 2012 affirmed compliance with the Code of Conduct. A declaration to this effect, duly signed by the Chairman is annexed and forms part of this report.

3. Audit Committee:

3.1 Composition, name of members and Chairman:

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee had been constituted by the Board comprising of 3 Independent Directors, all being Non-Executive.

- 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 and powers of the Audit Committee are in keeping with those contained under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. Terms of reference of the Audit Committee include a review of:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and fair
- Recommending to the Board, the appointment, re-appointment of the statutory auditors, fixation of audit fees and fees for other services.
- Reviewing, with Management, the quarterly and annual financial statements before submission to the Board for approval.
- Reviewing the adequacy of internal control systems and internal audit function, 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.
- Discussion with the Internal Auditors on any significant findings and follow-up thereon
- Reviewing with the management, performance of Statutory and Internal Auditors
- Accounting Policies and Practices and Risk Management Policies and Practices
- Related Party Transactions
- Matters required being included in the Directors' Responsibility Statement to be included in the Board's

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report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.

- Management Discussion and Analysis of financial conditions and results of operations.
- Review of draft Auditors Report, in particular qualifications/ remarks/ observations made by the Auditors on the financial statements.

3.3 Meetings, attendance and sitting Fees Paid during the year :

Four Meetings of the Committee were held during the financial year. I.e. on 11th May, 2011, 26th July, 2011, 3rd November, 2011 and 7th February, 2012. Details of presence are as under:

Sr.No.	Name of Director & Designation	Number of Meetings held	Number of Meetings attended	Sitting Fees Paid Rs.
1.	Mr. Shreyas C. Sheth – Chairman	4	4	10000
2.	Mr. Chandrakant T. Parikh– Member	4	4	10000
3	Mr. Pankaj S. Sheth – Member	4	2	5000

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 48th Annual General Meeting held on 15th July, 2011.

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 feesRs.
1.	Mr. Samveg A. Lalbhai - Chairman	20,000
2.	Mr. Arun P. Sheth – Director	15,000
3.	Mr. Shreyas C. Sheth – Director	20,000
4.	Mr. Chandrakant T. Parikh – Director	20,000
5.	Mr. Pankaj S. Sheth – Director	10,000

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

5. Shareholder / Investor grievance Committee:

- Name of non-executive director heading the committee: **Mr. Chandrakant. T. Parikh**
- 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	1

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
2010-11	ATMA Hall, Ashram Road, Ahmedabad	15th July, 2011	9:30 a.m.
2009-10	ATMA Hall, Ashram Road, Ahmedabad	9th July, 2010	9:30 a.m.
2008-09	ATMA Hall, Ashram Road, Ahmedabad	28 th July, 2009	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:

- a) There were no transactions of material nature with the Directors or the management or relatives of the Directors during the financial year which could have potential conflict with the interests of the Company at large.
- b) Transactions with related parties as per requirements of Accounting Standard – 18 are disclosed elsewhere in the Annual Report. None of these transactions have potential conflict with interest of the Company at large.
- c) No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority on any matter related to the capital markets during the last three years.

8. Means of communication:

The quarterly, half yearly and annual results are published in the newspapers. The same were sent to the Stock Exchange and were displayed on the website of the Company, (www.anupengg.com)

9. Certification by the CEO/CFO:

Mr. Rishi Roop Kapoor, Chief Executive Officer and Mr. Paresh Shah, Head (Finance and Accounts) of the Company, 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 **05/05/2012** in which the Accounts for the financial year ended **31/03/2012** were considered and approved by the Board of Directors.

10. General Shareholder information :**i) Annual General Meeting:**

- Date and time: 49th Annual General Meeting, Date: 20th July, 2012 at 10:00 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.

ii) Financial Calendar:

The Company observes 1st April to 31st March as its financial year.

First Quarter Results	: By the end of July 2012.
Second Quarter Results	: By the end of October, 2012.
Third Quarter Results	: By the end of January, 2013.
Fourth Quarter Results/Year end Results	: By the end of April 2013 / May 2013.

iii) Date of Book closure: 13th July, 2012 to 20th July, 2012 (both days inclusive)**vi) Listing on Stock Exchanges:**

The Company is listed on the Ahmedabad Stock Exchange Ltd. The listing fee for the financial year **2012-13** 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 **INE628I01013**.

The Anup Engineering Limited

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

v) **Stock Code: 4510**

vi) **Market Price Data:** High, Low during each month in financial year 2011-12, as per below.

vii) **Performance in comparison to broad-based indices such as BSE Sensex as per below**

Month	Share Price of Anup Engg. Ltd., At ASE		BSE Sensex	
	High(Rs)	Low (Rs)	High	Low
April, 2011	N.A.	N.A.	19811.14	18976.19
May, 2011	N.A.	N.A.	19253.87	17786.13
June, 2011	N.A.	N.A.	18873.39	17314.38
July, 2011	N.A.	N.A.	19131.70	18131.36
August, 2011	N.A.	N.A.	18440.07	15765.53
September, 2011	N.A.	N.A.	17211.80	15801.01
October, 2011	N.A.	N.A.	17908.13	15745.43
November, 2011	N.A.	N.A.	17702.26	15478.69
December, 2011	N.A.	N.A.	17003.71	15135.86
January, 2012	N.A.	N.A.	17258.97	15358.02
February, 2012	N.A.	N.A.	18523.78	17061.55
March, 2012	N.A.	N.A.	18040.69	16920.61

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.

viii) **Registrar and Transfer Agent:**

Sharepro Services (India) Pvt. Ltd.,

416-420, 4th Floor, Devnandan Mall, Opp. Sanyash Ashram,

Nr. M.J. Library, Ashram Road, Ellisbridge, Ahmedabad-380006

Phone : 079-26582381 to 84, Fax : 079- 26582385

Email: 'sharepro.ahmedabad@shareproservices.com'

ix) **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.

x) **Distribution of shareholding as on 31st March 2012**

Sr. No.	Category	No. of shares	Percentage of Share holding %
A.	Promoters' holding		
1.	Promoters	308773	90.82
	Sub-Total	308773	90.82
B.	Non- Promoters, holding		
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)	-	-
	Sub-Total	13848	4.07
C.	Others		
5.	Private Corporate Bodies	5199	1.53
6.	NRIs / OCBs	-	-
7.	State Government	-	-
8.	Indian Public	12180	3.58
	Sub-Total	17379	5.11
	GRAND TOTAL	340000	100.00

xii) **Dematerialization of shares and liquidity:** Electronic holding by Members comprising **96.49%** of the paid up Equity Share Capital of the Company held through the National Securities Depository Limited (**96.26%**) and Central Depository Services (India) Limited (**0.23%**) and **3.51 %** are in physical form as on **31.3.2012**. 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:**

1.	Shri Samveg A. Lalbhai -	382
2.	Shri Shreyas C. Sheth –	401
3.	Shri Arun P. Sheth -	2063

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

Address for correspondence: Odhav Road, Ahmedabad 382 415.

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

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.

The Anup Engineering Limited

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

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

All the Directors and senior management personnel have, respectively, affirmed compliance with the Code of Conduct as approved and adopted by the Board of Directors.

For THE ANUP ENGINEERING LTD

Ahmedabad.

5th May, 2012

SAMVEG A. LALBHAI

CHAIRMAN

The Board of Directors

The Anup Engineering Limited

Reg. : Financial Statements for the year 31 March, 2012 - Certification by Chief Executive Officer and Head (Finance and Accounts)

We Mr. Rishi Kapoor, 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 31st March, 2012 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 31st March, 2012 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.

5th May 2012.

Rishi Roop Kapoor

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.

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, 2012, 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.

5th May 2012.

SAMVEG A. LALBHAI

CHAIRMAN

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, 2012.

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.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

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 on behalf of
Sorab S Engineer & Co.
Firm Regn. No. 110417W
Chartered Accountants

Ahmedabad
5th May 2012.

CA.Chokshi Shreyas B.
Partner
(Membership No. 100892)

The Anup Engineering Limited

Auditors' Report to the Members of The Anup Engineering Limited

1. We have audited the attached Balance Sheet of **THE ANUP ENGINEERING LIMITED** ("the Company"), as at March 31, 2012, the Statement of Profit and Loss and also the Cash Flow Statement of the Company for the year ended on that date both 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.
2. 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.
3. As required by the Companies (Auditors' Report) Order, 2003 ("Order") issued by the Central Government of India in terms of sub - section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) 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;
 - ii) 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;
 - iii) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the applicable accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v) On the basis of written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (b) In the case of the the Statement of Profit and Loss of the profit for the year ended on that date; and
 - (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
Sorab S Engineer & Co.
Firm Regn. No. 110417W
Chartered Accountants

Ahmedabad
5th May 2012.

CA.Chokshi Shreyas B.
Partner
(Membership No. 100892)

Annexure to The Auditors' Report

Referred to in Paragraph 3 of our Report of even date,

- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year in accordance with a phased programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.
- (c) In our opinion and as per the information and explanations given to us, the Company has not made any substantial disposal of fixed assets during the year and going concern status of the Company is not affected.
- (ii) (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. As explained to us, the discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the Company, and the same have been properly dealt with.
- (iii) The Company has not granted/taken any loans secured or unsecured to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, requirement of clauses (iii,b), (iii,c), (iii,d), (iii,e), (iii,f) and (iii,g) of paragraph 4 of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an 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 with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lac in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market price at the relevant date.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA or any other relevant provisions of the Act and rules framed thereunder.
- (vii) The Company has an internal audit system, which in our opinion, is commensurate with the size of the Company and the nature of its business.
- (viii) The Central Government has not prescribed the maintenance of Cost records u/s 209(1)(b) of the Companies Act 1956.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.

The Anup Engineering Limited

- (b) There are no undisputed amounts outstanding as at March 31, 2012 for a period of more than six months from the date they became payable.
- (c) There are no disputed amounts that have not been deposited as on March 31, 2012.
- (x) The Company has neither any accumulated losses nor has incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the order are not applicable.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause (xiv) of paragraph 4 of the order are not applicable.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the Company has not given any guarantee for loans taken by others from banks or financial Institutions during the year.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loans obtained during the year were, *prima facie*, applied by the Company for the purpose for which they were obtained, other than temporary deployment pending application.
- (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 funds raised on short-term basis have not *prima facie*, been used during the year for long-term investments.
- (xviii) During the year, the Company has not made any preferential allotment of shares to persons covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us and the records examined by us, the Company has not issued any Secured Debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) Based upon the audit procedure performed by us and as per the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For and on behalf of
Sorab S Engineer & Co.
Firm Regn. No. 110417W
Chartered Accountants

Ahmedabad
5th May 2012.

CA.Chokshi Shreyas B.
Partner
(Membership No. 100892)

BALANCE SHEET AS AT 31ST MARCH, 2012

	Note	Amount in Rs.	
		March 31 2012	March 31 2011
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	34,000,000	34,000,000
Reserves and Surplus	4	294,709,947	293,549,600
Non-Current Liabilities			
Long Term Borrowings	5	2,051,393	24,258,677
Deferred Tax Liabilities (Net)	6	28,671,107	27,476,915
Long Term Provision	7	2,947,830	1,752,198
Current Liabilities			
Short Term Borrowings	8	224,610,862	201,635,268
Trade Payables	9	88,757,966	189,096,533
Other Current Liabilities	10	67,541,779	120,986,146
Short Term Provisions	11	-	5,130,435
TOTAL		<u>743,290,884</u>	<u>897,885,772</u>
Assets			
Non-current Assets			
Fixed Assets			
Tangible Assets	12	238,026,312	252,319,011
Intangible Assets	13	546,173	886,848
Long Term Loans and Advances	14	7,334,200	6,977,700
Current Assets			
Inventories	15	170,289,407	296,205,029
Trade Receivables	16	289,657,561	308,525,878
Cash and Bank Balances	17	19,251,402	16,667,655
Short Term Loans and Advances	18	18,185,829	16,303,652
TOTAL		<u>743,290,884</u>	<u>897,885,772</u>
Significant Accounting Policies	2		

As per our report of even date attached.

For and on behalf of the Board of Directors

For Sorab S. Engineer & Co.

Firm Registration No. 110417W

Chartered Accountants

CA Chokshi Shreyas B.

Partner.

(Membership No. 100892)

Ahmedabad.

5th May 2012.

SAMVEG A. LALBHAI

CHAIRMAN

SHREYAS C. SHETH

ARUN P. SHETH

DIRECTORS

The Anup Engineering Limited

STATEMENT OF PROFIT AND LOSS MARCH, 2012

	Note	Amount in Rs.	
		March 31, 2012	March 31, 2011
Revenue from operations (Gross)	20	810,125,719	964,152,492
Less : Excise Duty		<u>70,109,124</u>	<u>86,342,199</u>
		740,016,595	877,810,293
Other Income	21	<u>4,587,072</u>	<u>8,952,266</u>
Total Revenue		744,603,667	886,762,559
Expenses :			
Cost of materials consumed	22	340,662,714	596,160,958
Changes in inventories of finished goods, work-in-progress	23	116,991,576	(37,548,987)
Employee benefits expense	24	60,812,016	58,828,655
Finance costs	25	27,679,399	35,262,118
Depreciation and amortization expense	26	20,459,394	18,782,571
Other expenses	27	<u>175,446,029</u>	<u>186,718,724</u>
Total Expenses		742,051,128	858,204,039
Profit before exceptional and extraordinary items and tax		2,552,539	28,558,520
Exceptional items		-	-
Profit before extraordinary items and tax		2,552,539	28,558,520
Extraordinary Items		-	-
Profit before tax		2,552,539	28,558,520
Tax expense :			
Current tax/Current tax (MAT)		500,000	5,850,000
MAT Credit Entitlement		(302,000)	(5,850,000)
Deferred tax		<u>1,194,192</u>	<u>10,476,649</u>
Profit for the year		1,160,347	18,081,871
Add : Excess Provision for Taxation written back		-	21,453
Profit available to Equity Shareholders		1,160,347	18,103,324
Earnings per equity share			
(Nominal Value per Share Rs. 100/- (Previous year Rs. 100/-)			
Basic		3.41	53.25
Diluted		3.41	53.25
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial Statements

As per our report of even date attached

For Sorab S. Engineer & Co.
Firm Registration No. 110417W
Chartered Accountants
CA Chokshi Shreyas B.

SAMVEG A. LALBHAI
CHAIRMAN

SHREYAS C. SHETH
ARUN P. SHETH
DIRECTORS

Partner.

(Membership No. 100892)

Ahmedabad.

5th May 2012.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Amount in Rs.

Year Ended

March 31, 2012

March 31, 2011

A. CASH FLOW FROM OPERATING ACTIVITIES:

Profit Before taxation		2,552,539		28,558,520
Adjustments for :				
Depreciation / Amortization	20,459,394		18,782,571	
Interest Income	(2,123,406)		(5,158,369)	
Interest Expenses	27,679,399		35,262,118	
Excess provision for Corporate Dividend Tax	-		(13,132)	
Sundry credit balance apportioned	(7,534)		(1,544,200)	
Sundry debit balance written off	12,902		200,000	
Leave encashment	1,252,296		1,031,172	
Loss/(Surplus) on Sale of Tangible assets	5,498	47,278,549	(58,010)	48,502,150
Operating Profit before Working Capital Changes		49,831,088		77,060,669
Working Capital Changes :				
Changes in Inventories	125,915,622		(8,214,576)	
Changes in Long term and short term provisions	(1,235,534)		(496,831)	
Changes in trade payables	(100,331,033)		100,140,435	
Changes in other current liabilities	(26,184,287)		4,203,024	
Changes in long term loans and advances	(54,500)		162,500	
Changes in trade receivables	18,855,415		(64,161,311)	
Changes in short term loans and advances	(621,057)		5,778,752	
Changes in Margin money deposit	(2,500,000)		(2,850,000)	
Net Changes in Working Capital		13,844,626		34,561,993
Cash Generated from Operations		63,675,714		111,622,662
Direct Taxes paid (Net of Income Tax refund)		(1,761,120)		(22,450,904)
Net Cash from Operating Activities		61,914,594		89,171,758
B. Cash Flow from Investing Activities				
Purchase of tangible/intangible assets	(6,522,267)		(28,524,016)	
Sale of tangible assets	690,749		1,191,111	
Changes in short term loans and advances	-		10,977,945	
Interest Income	2,123,406		5,158,369	
Net cash flow from Investing Activities		(3,708,112)		(11,196,591)
C. Cash Flow from Financing Activities				
Changes in long term Borrowings	(49,510,335)		(47,336,857)	
Changes in short term borrowings	22,975,594		8,675,677	
Dividend Paid	(3,357,030)		(3,364,680)	
Dividend Tax Paid	(551,565)		(564,698)	
Interest Paid	(27,679,399)	(58,122,735)	(35,262,118)	(77,852,676)
Net Cash Flow from Financing Activities				
Net Increase / (Decrease) in cash & cash equivalents		83,747		122,492
Cash & Cash equivalent at the beginning of the period		167,655		45,163
Cash & Cash equivalent at the end of the period(a)		251,402		167,655
(a) Cash and cash equivalents comprise of :				
Cash on Hand		156,488		115,711
Balance with Banks*		<u>94,914</u>		<u>51,944</u>
Total		251,402		167,655
* Includes the following balance which is not available for use by the company Unpaid dividend account		78,290		35,320

As per our report of even date attached

For Sorab S. Engineer & Co.

Firm Registration No. 110417W

Chartered Accountants

CA Chokshi Shreyas B.

\\\\\\Partner.

Ahmedabad.

5th May 2012.

SAMVEG A. LALBHAI

CHAIRMAN

SHREYAS C. SHETH

ARUN P. SHETH

DIRECTORS

The Anup Engineering Limited

Notes to the Financial Statements

1. Company Background

Incorporated in the year 1962 by conversion of M/s. Hind Laboratories under Chapter IX of the Companies Act, 1956, M/s The Anup Engineering Ltd. (Anup) is engaged in manufacturing and fabrication of process equipments required for Chemicals, Petrochemicals, Pharmaceuticals, Fertilizers, Drugs and other allied industries, The Company is a member of Lalbhai Group of Companies, prominent player in Textile and Chemical Industry.

2. Statement on Significant Accounting Policies

A. 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.

B. 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 :

➤ Lease hold Land:

Premium on lease hold land is amortised over the period of lease.

➤ 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.
- (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 is being provided up to the month of Sale, discardment of said assets.

➤ 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.

C. 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

(b) Fabrication Charges / Job Work Charges :

Revenue from the fabrication / job work is recognized on acceptance by the customer.

(c) Late Delivery Charges:

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

D. Investments :

Investments are valued at cost of acquisition.

E Inventories :

- i) Stores, spares, etc. are valued at cost or net realisable value whichever is lower. Cost is arrived 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 and 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.

F 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.

G Employee Benefits:**a) Defined Contribution Plan :**

Company's contribution paid/payable during the period to Provident Fund, Officer Super Annuation Fund, are recognized in the Profit and 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:

Payment for present liability of future payment of leave encashment is made to Life Insurance Corporation of India, which fully cover the said liability under Employee Group Leave Encashment Assurance Scheme. The Additional Liability arising out of the difference between the actuarial valuation and the fund balance with Life Insurance Corporation of India, if any, is accrued at the year end.

H. 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.

The Anup Engineering Limited

Notes to the Financial Statements

Amount in Rs.

March 31, 2012 March 31, 2011

3. Share Capital

Authorised

500,000 Equity Shares (Previous Year 500,000)

Par Value of Rs. 100/- per Share

50,000,000 50,000,000

50,000,000 50,000,000

Issued

340,000 Equity Shares (Previous Year 340,000)

Par Value of Rs. 100/- per Share

34,000,000 34,000,000

34,000,000 34,000,000

Subscribed and fully paid up

340,000 Equity Shares (Previous Year 340,000)

Par Value of Rs. 100/- per Share

34,000,000 34,000,000

34,000,000 34,000,000

TOTAL

a. Reconciliation of No. of Shares

As At

Particulars

March 31, 2012

March 31, 2011

No. of Shares Amount in Rs. No. of Shares Amount in Rs.

Balance at the beginning of the year

340,000 34,000,000 340,000 34,000,000

Balance at the end of the year

340,000 34,000,000 340,000 34,000,000

b. Shares allotted as fully paid up pursuant to contract without payment being received in cash (during 5 years immediately preceding March 31, 2012)

200,000 Equity Shares of Rs. 100/- each have been issued to Holding Company - Arvind 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 in the year 2007-2008.

c. Rights, Preferences and Restrictions attached to Equity Shares

The Company has one class of shares referred to as equity shares having a par value of Rs. 100 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

d. Shares held by Holding Company

As at

March 31, 2012 March 31, 2011

Numer of Shares held by

Holding Company - Arvind Limited

300,000 300,000

e. Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Holding Company - Arvind Limited

3,00,000 3,00,000

88.24% 88.24%

f. Proposed Dividend

The final dividend proposed for the year is as follows :

On Equity Shares of Rs. 100/- each

Dividend per Equity Share (Rs.)

0 10

Percentage of Dividend Proposed

0 10%

Particulars	Amount in Rs.	
	As at	
	March 31,2012	March 31,2011
4. Reserves and Surplus		
Securities Premium Account		
Balance as per last financial statements	1,920	1,920
Balance at the end of the year	1,920	1,920
GENERAL RESERVE		
Balance as per last financial statements	7,001,075	3,601,075
Add : Transferred from Surplus in Statements of profit & loss during the year	-	3,400,000
Balance at the end of the year	7,001,075	7,001,075
Surplus in Statements of Profit and Loss		
Balance as per last financial statements	286,546,605	275,794,846
Add : Profit for the year	1,160,347	18,103,324
	287,706,952	293,898,170
Transferred to General Reserve	-	3,400,000
Proposed Dividend	-	3,400,000
Tax on Proposed Dividend	-	5,51,565
Balance at the end of the year	287,706,952	286,546,605
TOTAL	294,709,947	293,549,600

5. Long Term Borrowings

	Non-Current portion		Current Maturities	
	31-3-12	31-3-11	31-3-12	31-3-11
Secured				
Term Loans : From Banks	2,051,393	24,258,677	23,069,959	50,373,010
	<u>2,051,393</u>	<u>24,258,677</u>	<u>23,069,959</u>	<u>50,373,010</u>
Amount disclosed under the head "Other Current Liabilities" (Note 10)	0	0	23,069,959	50,373,010
	<u>0</u>	<u>0</u>	<u>23,069,959</u>	<u>50,373,010</u>
TOTAL	2,051,393	24,258,677	0	0
	<u>2,051,393</u>	<u>24,258,677</u>	<u>0</u>	<u>0</u>

a Nature of Security

I. Term Loans from Banks are secured by :

- (i) First charge over the entire fixed assets and second charge over entire stock, receivables and other current assets of the Company both present and future.
- (ii) Additionally secured by Corporate Guarantee given by Arvind Limited, the ultimate holding company.

II. Hire Purchase Loan from banks are secured by hypothecation of related vehicles.

b Rate of Interest and Terms of Repayment

Particulars	Amount in Rs.	Range of Interest (%)	Terms of Repayment
Bank of Baroda			Repayable in 60 monthly installments commencing from Sept. 2008
Term Loan I	16,955,126	14.75%	
Term Loan III	6,988,230	14.75%	Repayable in 60 monthly installments commencing from May 2010
HDFC Bank -			Repayable in 36 monthly instalments from the date of release of
Hire Purchase Loan	1,177,996	9% to 11%	respective loans

The Anup Engineering Limited

Particulars	Amount in Rs.	
	As at	
	March 31,2012	March 31,2011
6. Deferred Tax Liabilities (Net)		
Deferred Tax Liability		
Fixed Assets	29,769,551	28,434,405
TOTAL (a)	29,769,551	28,434,405
Deferred Tax Asset		
Expenditure allowable on payment basis	1,098,444	957,490
TOTAL (b)	1,098,444	9,57,490
Net Liability (a-b)	28,671,107	27,476,915
7. Long Term Provisions		
Provision for employee benefits Leave Encashment	2,947,830	1,752,198
TOTAL	2,947,830	1,752,198
8. Short Term Borrowings		
Secured		
Working Capital Loans repayable on demand From Banks	216,108,353	193,132,759
	216,108,353	193,132,759
Unsecured		
Interest Free Intercompany Deposits		
From Fellow subsidiary company	8,502,509	8,502,509
	8,502,509	8,502,509
	224,610,862	201,635,268
a Nature of Security		
Loans from banks are secured by :		
(i) First charge over entire stocks, receivables and other current assets and second charge over entire fixed assets of the Company both present and future.		
(ii) Additionally secured by Corporate Guarantee given by Arvind Limited, the ultimate holding company.		
b Rate of Interest		
(i) Loans from banks carry interest rate 14.75% per annum.		
9. Trade Payables		
Creditors in respect of goods and services (Note a)	88,757,966	189,096,533
TOTAL	88,757,966	189,096,533
a. The Company has not received any intimation on supplier regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Small Enterprise regarding :		
(a) Amount due and outstanding to suppliers as at the end of accounting year.		
(b) Interest paid during the year.		
(c) Interest payable at the end of the accounting year; and		
(d) Interest accrued and unpaid at the end of the accounting year have not been given. The Company is making efforts to get the confirmations from the suppliers as regards their status under the said act.		

Particulars	Amount in Rs.	
	As at	
	March 31,2012	March 31,2011
10. Other Current Liabilities		
Current maturities of long-term borrowings (Note 5)	23,069,959	50,373,010
Advance From Customers	34,392,728	58,092,957
Unpaid dividends	78,290	35,320
Statutory Dues	4,035,625	7,283,884
Others	5,965,177	5,200,975
TOTAL	67,541,779	120,986,146
11. Short Term Provisions		
Provision for Employee Benefits	-	1,178,870
Provision for Dividend	-	3,400,000
Provision for tax on dividend	-	551,565
TOTAL	-	5,130,435

12. Tangible Assets

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on	Additions	Dispo	As on	As on	For	Deduct-	As on	As on	As on
	01.04.2011		sals	31.03.2012	01.04.2011	the	ions	31.03.2012	31.03.2012	31.03.2011
	Rs.					Year		Rs.	Rs.	Rs.
Freehold Land	217,000	-	-	217,000	-	-	-	217,000	217,000	217,000
Leasehold Land (Note a)	143,522	-	1,195	142,327	-	-	-	142,327	142,327	143,522
Buildings	90,170,565	-	-	90,170,565	9,169,936	2,691,039	-	11,860,975	78,309,590	81,000,629
Plant and Equipment	229,140,856	3,693,069	-	232,833,925	68,004,636	15,678,403	-	83,683,039	149,150,886	161,136,220
Furniture and Fixtures	6,875,480	1,555,142	85,900	8,344,722	3,506,007	390,623	10,033	3,886,597	4,458,125	3,369,473
Office Equipments	2,667,248	155,665	-	2,822,913	1,228,625	117,978	-	1,346,603	1,476,310	1,438,623
Vehicles	6,011,822	460,115	678,977	5,792,960	998,278	581,205	58,597	1,520,886	4,272,074	5,013,544
TOTAL	335,226,493	5,863,991	766,072	340,324,412	82,907,482	19,459,248	68,630	102,298,100	238,026,312	252,319,011
Previous Year	255,727,840	80,881,348	1,382,695	335,226,493	65,503,986	17,651,895	248,399	82,907,482	252,319,011	190,223,854

a. Amortization of Leasehold land is shown as disposals.

13. Intangible Assets

Particulars	GROSS BLOCK			AMORTIZATION			NET BLOCK			
	As on	Additions	Dispo	As on	As on	For	Deduct-	As on	As on	As on
	01.04.2011		sals	31.03.2012	01.04.2011	the	ions	31.03.2012	31.03.2012	31.03.2011
	Rs.					Year		Rs.	Rs.	Rs.
Own Assets										
Computer Software	5,326,311	658,276	-	5,984,587	4,439,463	998,951	-	5,438,414	546,173	886,848
Drawings	100,000	-	-	100,000	100,000	-	-	100,000	-	-
TOTAL	5,426,311	658,276	-	6,084,587	4,539,463	998,951	-	5,538,414	546,173	886,848
Previous Year	5,426,311	-	-	5,426,311	3,409,982	1,129,481	-	4,539,463	886,848	2,016,329

14. Long Term Loans and Advances

(Unsecured, Considered good unless otherwise stated)

Security Deposits	1,182,200	1,127,700
MAT Credit Entitlement	6,152,000	5,850,000
TOTAL	7,334,200	6,977,700

The Anup Engineering Limited

Particulars	Amount in Rs.	
	As at	
	March 31,2012	March 31,2011
15. Inventories		
Raw Materials	65,337,817	68,076,312
In Transit	1,646,874	7,621,308
Work-in-Progress	77,692,445	207,822,797
Finished Goods	17,537,988	4,399,212
Stores and Spares	7,898,065	8,285,400
In Transit	176,218	
TOTAL	170,289,407	296,205,029
a. Details of Inventory		
Work in Progress		
Chemical and Pharmaceutical Machineries	77,515,191	189,853,911
Industrial Centrifuges	177,254	17,968,886
TOTAL	77,692,445	207,822,797
Finished Goods		
Chemical and Pharmaceutical Machineries	15,743,026	2,604,250
Industrial Centrifuges	1,794,962	1,794,962
TOTAL	17,537,988	4,399,212
16. Trade Receivables		
(Unsecured, considered good unless otherwise stated)		
Outstanding for a period exceeding six months from the date they are due for payment	29,606,121	20,270,983
Others	260,051,440	288,254,895
TOTAL	289,657,561	308,525,878
17. Cash and Bank Balances		
Cash and Cash Equivalents :		
Cash on Hands	156,488	115,711
Balances with Banks		
In Current Account	16,624	16,624
In Unpaid Dividend Accounts	78,290	35,320
	94,914	51,944
	251,402	167,655
Other Bank Balances		
Deposits held as Margin Money	19,000,000	16,500,000
(Under lien with Bank against Bank Guarantee)		
	19,000,000	16,500,000
TOTAL	19,251,402	16,667,655
18. Short Term Loans and Advances		
(unsecured, Considered good unless otherwise stated)		
Security Deposit	382,376	1,000,500
Advance Income Tax Paid (Net of Provision Rs.130,310,000/-)	6,540,578	5,279,458
Previous Year Rs. 129,810,000/-		
Prepaid Expenses	70,922	74,977
Advances recoverable in cash or kind	11,191,953	9,948,717
TOTAL	18,185,829	16,303,652

Particulars	Amount in Rs.	
	As at	
	March 31,2012	March 31,2011
19. Contingent Liabilities		
(to the extent not provided for)		
Claims against the company not acknowledged as debt	525,545	525,545
Guarantees given by Banks behalf of company (Note a)	<u>273,217,437</u>	<u>307,580,816</u>
TOTAL	<u>273,742,982</u>	<u>308,106,361</u>
(a) 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.		
	Amount in Rs.	
	Year ended	
	March 31,2012	March 31,2011
20 Revenue from Operations		
Sale of Products :		
Finished Goods	783,313,353	979, 311,192
Less : Late Delivery Charges	<u>10,446,421</u>	<u>30,889,123</u>
	<u>772,866,932</u>	<u>948,422,069</u>
Other operating revenues		
Job Work Charges	8,297,983	1,798,593
Others	28,960,804	13,931,830
	<u>37,258,787</u>	<u>15,730,423</u>
TOTAL	<u>810,125,719</u>	<u>964,152,492</u>
(a) Details of Sales / Services		
Chemical and Pharmaceutical Machineries	710,356,568	909,376,580
Industrial Centrifuges	63,436,360	69,934,612
Job work charges	8,297,983	1,798,593
Others	<u>38,481,229</u>	<u>13,931,830</u>
	<u>820,572,140</u>	<u>995,041,615</u>
Less : Late delivery charges	<u>10,446,421</u>	<u>30,889,123</u>
TOTAL	<u>810,125,719</u>	<u>964,152,492</u>
21 Other Income		
Interest Income		
Bank Deposits	1,592,206	1,092,992
Others	531,200	4,065,377
Profit on Sale at Fixed Assets (Net)	-	58,010
Sundry Credit balance apportioned	7,534	1,544,200
Provision no longer required	495,000	179,180
Others	<u>1,961,132</u>	<u>2,012,507</u>
TOTAL	<u>4,587,072</u>	<u>8,952,266</u>

The Anup Engineering Limited

Particulars	Amount in Rs.			
	Year ended			
	March 31,2012	March 31,2011		
22 Cost of materials consumed				
Raw Materials including Packing Materials				
Stock at the commencement	68,076,312	93,691,985		
Purchases	337,924,219	570,545,285		
	<u>406,000,531</u>	<u>664,237,270</u>		
Less : Stock at Close	65,337,817	68,076,312		
TOTAL	<u>340,662,714</u>	<u>596,160,958</u>		
(a) Details of Consumption				
(i) Consumption of Raw Materials				
Metal Sheets and Plates	158,109,941	302,841,494		
Metal Pipes and Tubes	67,808,909	111,320,266		
Structural Materials	7,661,665	18,318,970		
Welding Electrodes	21,091,124	24,815,405		
Components	85,991,075	138,864,823		
TOTAL	<u>340,662,714</u>	<u>596,160,958</u>		
(ii) Value of imported and indigenous matel consumed				
	Raw Materials	Spare Parts and Components	Raw Materials	Spare Parts and Components
Imported	25,965,307	-	42,515,802	-
	7.62%	0.00%	7.13%	0.00%
Indigenous	314,697,407	19,409,454	553,645,156	29,932,843
	92.38%	100.00%	92.87%	100.00%
TOTAL	<u>340,662,714</u>	<u>19,409,454</u>	<u>596,160,958</u>	<u>20,932,843</u>
	100%	100.00%	100%	100%
23. Changes in Inventories of Finished Goods & Work-in-progress				
(Increase)/Decrease in stocks				
Stock at the end of the year				
Finished Goods			17,537,988	4,399,212
Work in Progress			77,692,445	207,822,797
			<u>95,230,433</u>	<u>212,222,009</u>
Stock at the beginning of the year				
Finished Goods			4,399,212	4,399,212
Work in Progress			207,822,797	170,273,810
			<u>212,222,009</u>	<u>174,673,022</u>
(Increase) / Decrease in stocks			<u>116,991,576</u>	<u>(37,548,987)</u>
24 Employee Benefits Expense				
Salaries and Wages			55,636,642	54,546,367
Contribution to Provident Fund and Other Funds			3,579,984	2,807,628
Staff welfare expenses			1,595,390	1,474,660
TOTAL			<u>60,812,016</u>	<u>58,828,655</u>

Particulars	Amount in Rs.	
	Year ended	
	March 31,2012	March 31,2011
25 Finance Costs		
Interest		
On Term Loans	7,017,912	12,490,997
On Cash Credit Facilities	14,071,780	20,005,989
Others	5,499,073	1,704,882
Other borrowing cost	1,090,634	1,060,250
TOTAL	27,679,399	35,262,118
26 Depreciation / Amortization Expense		
Amortisation of leasehold land	1,195	1,195
Depreciation on Tangible assets	19,459,248	17,651,895
Amortization on Intangible assets	998,951	1,129,481
TOTAL	20,459,394	18,782,571
27 Other Expenses		
Stores and Spares Consumed	19,409,454	20,932,843
Power and Fuel	12,328,010	13,419,676
Job Work Charges	85,683,417	93,567,979
Rent	7,610	7,610
Rates and Taxes	885,441	676,973
Postage and Courier Charges	271,514	289,862
Computer expenses	1,313,037	1,043,734
Drawing and Drafting Charges	500,409	825,464
Security Charges	867,049	1,006,458
Printing Stationery and Xerox Charges	1,879,099	1,936,562
Insurance	498,682	482,796
Building Repairs	7,705,643	2,830,689
Machinery Repairs	8,920,193	11,432,941
Other Repairs	3,501,508	2,728,864
Freight, Octroi etc.	7,592,655	8,018,122
Brokerage and Commission	300,000	2,399,979
Communication Expenses	520,555	520,435
Payments to the auditor as		
(a) auditor	175,000	175,000
(b) for tax audit	75,000	75,000
(c) for certifications	94,800	88,000
Legal and Professional Fees	928,872	2,426,942
Retainership Fees	2,852,665	2,695,750
Director's Fees	110,000	122,500
Travelling Expenses	4,674,357	4,202,879
C/F	16,10,94,970	17,19,07,058

The Anup Engineering Limited

Particulars	Amount in Rs.	
	Year ended	
	March 31,2012	March 31,2011
	B/F	
	16,10,94,970	17,19,07,058
Inspection Charges	4,344,535	3,600,196
Sundry Debit Balance Written off	12,902	200,000
Exchange Rate Different (Net)	26,091	173,475
Loss of Sales of Fixed Assets	5,498	-
Bank Charges	5,693,578	7,034,140
Miscellaneous Expenses	4,268,455	3,803,855
TOTAL	175,446,029	186,718,724
28 CIF Value of Imports		
Raw Materials	21,197,674	40,521,994
Components and Spares Parts	-	159,852
Capital Goods	-	1,531,029
29 Expenditure in Foreign Currency		
Computer Software License Fees	-	283,576
Membership Fees	685,618	776,331
30 Earning in Foreign Currency		
Export of goods calculated on F.O.B. basis	269,855	14,745,766
31 Employee Benefits		
(A) Defined Benefit Plans :		
Disclosure for defined benefit plans based on actuarial reports as on March 31, 2012		
Expenses recognised for the year ended on March 31, 2012 (included in Note 24 to the Statement of profit and Loss.		
Change in the Benefit Obligations :		
Liability at the beginning of the year	5,306,338	5,667,287
Interest Cost	427,160	456,217
Current Service Cost	485,312	669,512
Benefits Paid	(1,107,941)	(889,255)
Actuarial Loss/(Gain)	(1,264,441)	(597,423)
Liability at the end of the year	3,846,428	5,306,338
Fair Value of plan Assets :		
Fair Value of Plan Assets at the beginning of the year	5,800,389	5,689,519
Adjustment of earlier year	-	-
Expected Return on Plan Assets	522,035	517,046
Contributions	-	613,935
Benefits Paid	(1,107,941)	(889,255)
Actuarial gain/(loss) on plan Assets	(381,195)	(130,856)
Fair Value on Plan Assets at the end of the year	4,833,288	5,800,389
Total Actuarial (loss)/Gain to be recognized	883,246	466,567

Actual Return on Plan Assets :

Expected Return on Plan Assets	522,035	517,046
Actuarial gain/(loss) on Plan Assets	(381,195)	(130,856)
Actual Return on Plan Assets	140,840	386,190

Amount Recognized in the Balance Sheet :

Liability at the end of the year	3,846,428	5,306,338
Fair Value of Plan Asset at the end of the year	4,833,288	5,800,389
Amount recognized in the Balance Sheet under	986,860	494,051

"Provision for Retirement Benefit"

Expense Recognized in the Profit and Loss Account :

Interest Cost	427,160	456,217
Current Service Cost	485,312	669,512
Expected Return on Plan Assets	(522,035)	(517,046)
Net Actuarial loss/(gain) to be recognised	(883,246)	(466,567)
Expense recognized in the Profit and Loss	(492,809)	142,116
Account under staff expenses		

Reconciliation of the Liability Recognized in the Balance Sheet :

Opening Net Liability	(494,051)	(22,232)
Expense Recognized	(492,809)	142,116
Contribution by the Corporation	-	(613,935)
Amount recognized in the Balance Sheet under	(986,860)	(494,051)

"Provision for Retirement Benefits"

Experience Adjustment

Experience adjustment on plan liabilities (Gain)/Loss	(1,468,076)	-
Experience adjustment on plan Assets	(381,195)	-

Discount rate (%)	8.50	8.05
Estimated rate of return on plan assets (%)	8.50	9.00
Salary escalation (%)	8.00	8.00
Retirement age	58	58

(B) Defined Contribution Plan :

An amount of Rs. 2,973,090/- (Previous year Rs. 2,746,972/-) is recognised as expense and included in the Note 24 "Contribution to Provident and Other Funds" in the Statement of Profit and Loss.

- (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 rate are obtained from the relevant data of Life Insurance Corporation of India

The Anup Engineering Limited

32. Related Party Information:

Name of related party and nature of relationship:

Arvind Limited- Holding Company

Arvind Accel Limited – Fellow Subsidiary Company

Asman Investments Limited – Fellow Subsidiary Company

Mr. Sanjay R. Lapalika - Key Management Personnel (Up to 27.05.2010)

Mr. Rishi Roop Kapoor – Key Management Personnel

Sr. No.	Name of the Party	Relationship	Nature of Transaction	Amount Rs.		Outstanding Balance Rs.	
				2011-2012	2010-2011	2011-2012	2010-2011
1	Arvind Limited	Holding Company	Loan taken	150,000,000	-	-	-
			Loan repaid	150,000,000	-	-	-
			Sales	625,401	663,785	-	-
			Purchase	602,145	-	-	-
			Advance Received	-	-	199,917	415,205
			Interest Paid	54,38,425	-	-	-
2	Sanjay Lapalika	CEO	Salary	-	432,084	-	-
3	Rishi Roop Kapoor	CEO	Salary	3,849,382	3,542,751	-	-
4	Arvind Accel Limited	Fellow Subsidiary Company	Debit Note	-	661,800	82,352	82,352
5	Asman Investments Limited	Fellow Subsidiary Company	Loan Taken	-	-	8,502,509	8,502,509

33. Earning Per Share:

	31-03-2012	31-03-2011
	Rs.	Rs.
Profit for the year attributable to the Equity Shareholders	1,160,347	18,103,324
Basic/Weighted average number of Equity Shares outstanding during the year	340,000	340,000
Nominal Value of Equity Share	Rs.100/-	Rs.100/-
Basic and Diluted earning per Share	Rs. 3.41	Rs. 53.25

34. Segment Reporting :

I The Company is primarily engaged in the business of Engineering, which in the context of Accounting Standard 17 on "Segment Reporting" notified by Companies (Accounting Standards) Rules, 2006, constitutes a single reportable primary segment.

I Information about Secondary (Geographical) Segment :

Particulars	2011-12	2010-11
Segment Revenue		
a) In India	809,855,864	949,406,726
b) Outside India	269,855	14,745,766
TOTAL	810,125,719	964,152,492

Carrying Cost of Assets by location of Assets

a) In India	743,290,883	896,235,757
b) Outside India	-	1,650,015
TOTAL	743,290,883	897,885,772
Addition to Assets		
a) In India	6,522,267	35,089,613
b) Outside India	-	-
TOTAL	6,522,267	35,089,613

35. In the opinion of the Board, any of the assets other than fixed assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
36. The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification or Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

As per our attached report of even date

For Sorab S. Engineer & Co.

Firm Registration No. 110417W

Chartered Accountants

CA Chokshi Shreyas B.

Partner.

(Membership No. 100892)

Ahmedabad.

5th May 2012.

For and on behalf of the Board of Directors

SAMVEG A. LALBHAI

CHAIRMAN

SHREYAS C. SHETH

ARUN P. SHETH

DIRECTORS

The Anup Engineering Limited

INFORMATION REFERRED TO IN NOTE 14 IN SCHEDULE 18 TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012

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

I. Registration Details :

Registration No.

001170

State Code :

04

Balance Sheet Date :

31.03.2012

II. Capital Raised during the Year

(Rs.in Lacs)

Public Issue

NIL

Right Issue

NIL

Bonus Issue

NIL

Private Placement

NIL

III. Position of Mobilisation and Deployment of Funds

Total Liabilities

7432.90

Total Assets

7432.90

Sources of Funds:

Paid-up Capital

340.00

Reserve & Surplus

2947.09

Secured Loans

2412.30

Unsecured Loans

85.02

Deferred Tax Liabilities (Net)

286.71

Application of Funds:

Net fixed Assets

2385.72

Investments

-

Net Current Assets

5047.18

Misc.Expenditure

-

Accumulated Losses

-

IV. Performance of Company

Turnover (Incl.other income)

7446.03

Total Expenditure

7420.51

Profit before Tax

25.52

Profit after Tax

11.60

Earning Per Share in Rs.

3.41

Dividend Rate %

-

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

Item Code No.(ITC Code)

841989.01

Product Description

Pressure Vessels, Reactors

Item Code No.(ITC Code)

842119.02 & 842119.07

Product Description

Centrifuges

Item Code No.(ITC Code)

731100.09

Product Description

Chlorine Containers

NOTICE

NOTICE is hereby given that the 49th Annual General Meeting of the Members of the Company will be held on **Friday, the 20th July, 2012 at 10.00 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, 2012 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.

Registered Office:

Behind 66 KV Electric Sub Station,
Odhav Road, Ahmedabad -382 415
5th May, 2012

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. Proxies in order to be effective must be deposited at the Registered Office of the Company not less than Forty eight hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books will be closed from **July 13th, 2012 to July 20th, 2012** (both days inclusive) for the purpose of ascertaining the validity of transfer deeds.
4. Printed copies of Balance Sheet, Profit and Loss Account, the Director's Report, Auditor's Report and every other document required by law to be annexed or attached to the Balance Sheet for the financial year ending 31st March, 2012 are enclosed.
5. Members are requested to bring their copies of the Annual Report to the meeting.
6. Copies of all documents referred to in the Notice and copy of the Memorandum and Articles of Association of the Company are available for inspection to the Members at the Registered Office of the Company between 3.00 p.m. to 5.00 p.m. on all working days.
7. At the ensuing Annual General Meeting Shri 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	Mr. 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
5th May, 2012

By Order of the Board
Samveg A. Lalbhai
Chairman

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 20th July, 2012 and at any adjournment thereof.

Signed this _____ day of _____ 2012

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 17th July, 2012.

If Undelivered please return to :
THE ANUP ENGINEERING LIMITED
Behind 66 KV Elec. Sub-Station,
Odhav Road, Ahmedabad-382 415.