

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

**BALANCE SHEET**  
**2012-13**

THE ANUP ENGINEERING LIMITED  
AHMEDABAD

DIRECTORS:

SHRI SAMVEG A. LALABHAI  
SHRI ARUN P. SHETH  
SHRI PANKAJ SUDHAKER SHETH  
SHRI CHANDRAKANT T.PARIKH  
SHRI SHREYAS CHINUBHAI SHETH

CHAIRMAN

REGISTERED OFFICE/WORKS:

B/H 66 KV Electric Sub-Station,  
Odhav Road,  
Ahmedabad-382415  
Tel No : (079) 22870622

AUDITORS:

M/S SORAB S ENGINEER & CO.  
Chartered Accountants

BANKERS:

BANK OF BARODA

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

**THE ANUP ENGINEERING LIMITED  
AHMEDABAD.**

**DIRECTORS' REPORT**

Your Directors submit herewith the 50<sup>th</sup> Annual Report together with the audited statements of Accounts for the year ended 31st March, 2013

**1. FINANCIAL RESULTS :**

	<b>2012-2013</b>	<b>2011-2012</b>
	<b>(Rs.In Lacs)</b>	<b>(Rs.In Lacs)</b>
Profit before Interest, Depreciation & taxation	1080.98	506.90
Less: Interest	179.18	276.79
Depreciation & Write Off	<u>201.79</u>	<u>204.59</u>
	380.97	481.38
Provision for Taxation		
- Current	204.00	5.00
- Deferred	2.10	11.94
- Less: MAT Credit Entitlement	<u>-</u>	<u>3.02</u>
	<u>206.10</u>	<u>13.92</u>
Profit for the year	493.91	11.60
Adjustment of earlier years	<u>-</u>	<u>-</u>
	493.91	11.60
Add: Balance as per last balance Sheet	<u>2877.06</u>	<u>2865.46</u>
Balance available for appropriation	3370.97	2877.06
Balance Carried to Balance Sheet	3370.97	2877.06

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

**2. OPERATIONS:**

During the year under report Turnover of the Company remained at Rs. 74.15 Crore as against Rs. 74.46 Crore in the previous year. However, profit before interest, depreciation and tax jumped to Rs. 10.81 Crore as against Rs. 5.07 Crore in the previous year. Profit for the year after providing for interest, depreciation and Tax increased many fold from Rs. 11.60 Lacs during the previous year to Rs. 493.91 Lacs during the under report. This was made possible with the conscious efforts of the management on all fronts-entering in to export market, improved product mix, aggressive purchase management and effective control over working capital including advances from customers, inventory, creditors and debtors. All these efforts made significant contribution towards improving profitability of your company.

**3. PROSPECTS:**

Your Directors are happy to report that despite slow down in the market your company is better placed in the market with healthy order book and some very good inquiries in the pipe line. Entry in to the International market has put your company ahead of the other players in the market both local and international. Given the current position your directors are confident of putting up an impressive show during the current year also.

**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 31.3-2013

**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 Arun P Sheth and Shri Shreyas C Seth Director of the Company, retire by rotation and being eligible, offer themselves 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.

By Order of the Board,

Date: May 08, 2013.

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>2012-2013</u>	<u>2011-2012</u>
<b>1. (a) Electricity :</b>		
Units	1566725	1589300
Total Amount (Rs.)	9872997	9237931
Rate/Unit (Rs.)	6.30	5.81
<b>(b) Own Generation :</b>		
(Through Diesel Generator)		
Units	30456	33240
Total Amount (Rs.)	607138	585344
Rate/Unit (Rs.)	19.93	17.51
<b>2. Furnace Oil:</b>		
Qty (Liters)	19705	141300
Cost	771289	5479231
Rate per	39.14	38.78

**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:**

	<u>2012-2013</u> (Rs.in Lacs)	<u>2011-2012</u> (Rs.in Lacs)
Capital	-	-
Recurring	<u>61.80</u>	<u>60.50</u>
Total	61.80	60.50
Total R and D Expenditure as % of Total Turn Over	0.84	0.81

**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.

## **R.V. SHAH & CO.**

**J/7, Chandragupt Appartment, B/h. Sahajanand Collage, Ambawadi,  
Ahmedabad- 380015**

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### **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 31<sup>st</sup> March, 2013. 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 05/05/2012, 20/07/2012, 27/10/2012 and 25/01/2013 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 13/07/2012 to 20/07/2012 during the financial year.
6. The Annual General Meeting for the financial year ended on 31/03/2012 was held on 20/07/2012 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 was not required to deposit any amount in a Separate Bank Account as no dividend was declared during the financial year under review.  
(iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year under review.  
(iv) The Company was not required to comply with the provisions of section 205C of the Companies Act, 1956 as there was no amount outstanding for period of seven years to the investors of the company.  
(v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional Director, alternate Director and Director to fill casual vacancy during the financial year.
15. The Company has not appointed any managing director, whole-time director or manager during the financial year under review.
16. The Company has not appointed any sole selling agent during the financial year.
17. The Company was not required to obtain the approval of Company Law Board, Registrar of Companies, Regional Director or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in Form No.24AA to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares / any debenture/ other securities during the financial year under review.
20. The Company has not bought back any securities during the financial year.

21. The Company has not 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 made loans or advances to other bodies corporate and has complied the provisions of section 372A of the Companies Act, 1956.
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 R.V. SHAH & CO  
Company Secretary

PLACE: AHMEDABAD  
DATE: 08/05/2013

REEPAL SHAH  
Proprietor  
CP. NO.: 6860  
M. NO.: 17790



**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 Attendance of Board Meetings
9. 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 31/03/2013.**

<b>SR. NO.</b>	<b>FORM NO./ RETURN</b>	<b>FILED UNDER SECTION</b>	<b>FOR</b>	<b>DATE OF FILING</b>	<b>WHETHER FILED WITHIN PRESCRIBED TIME</b>	<b>IF DELAY IN FILING WHETHER REQUISITE ADDITIONAL FEES PAID</b>
1.	Form 8	135	Modification of Charge Dated 12/04/2012	02/05/2012	YES	N.A.
2.	Form 8	135	Modification of Charge Dated 20/04/2012	04/05/2012	YES	N.A.
3.	Statement in Lieu of Advertisement. ( Form-62 )	Rule 4A of Companies (Acceptance of Deposit) Rules, 1975	Accept Deposit for the year 2012-13	15/05/2012	YES	N.A.
4.	Form 5 INV	IEPF (Uploading of information regarding unpaid and unclaimed	Statement of unclaimed and unpaid amounts	30/07/2012	YES	N.A.

		amounts lying with companies) Rules, 2012				
5.	Form 66	383A	Compliance Certificate.	16/08/2012	YES	N.A.
6.	Annual Return (Form 20B)	159	20/07/2012	15/09/2012	YES	N.A.
7.	Form 5 INV	IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012	Statement of unclaimed and unpaid amounts	15/10/2012	YES	N.A.
8.	Balance Sheet (Form 23AC & Form 23ACA)	220	31/03/2012	13/12/2012	YES	N.A.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Overview**

The sales of the company remained at Rs. 7415 Lacs same as last year of Rs. 7446 Lacs. But there was a marked improvement in the Gross Profit of the Company. Gross Profit for the year more than doubled from 507 Lacs during the previous year to Rs. 1081 lacs during the year under report. Net Profit of the Company increased many fold from Rs. 11.60 Lacs during the earlier year to Rs. 493.91 Lacs for the period under report.

### **Industry Structure & Developments**

The Company is in heavy fabrication industry and is one of the leading players since last 50 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**

Your company is having existence in the industry for about 50 years and is one of the leading players in the Fabrication Industry. Till the earlier year your company was in the domestic market only. But with continuous efforts your company could enter in the international market in a significant way during the year and your company is confident of improving the export business to a great extent. With this dependence on the domestic market will be less compared to the earlier period. Further, your company has entered into a technical collaboration agreement with M/s. Lummus Technology for special High Efficiency Heat Exchangers (Helixchanger). This will help your company enter into new field of Heat Exchanger.

Though with the healthy order book and sound inquiry base on hand your company is confident of further improved performance during the current year, economic scenario of the country and world is not encouraging. Your company is constantly reviewing the situation and taking all steps to safe guard the interest of your company. As the capital goods industry is worst sufferer of any slowdown, Future performance of the company may be dependent of the economic situation world over. Still your company is quite hopeful of maintaining good performance in the subsequent years also.

### **Strengths and Weakness:**

As reported 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. During the year company has obtained EN ISO 3834-3 & AD 2000 Merkblatt HPO 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 future profitability of the company.

### **Outlook**

As reported in the Directors Report, your Directors are happy to inform that despite slow down your company is better placed in the market with healthy order book and some very good inquiries in the pipe line. Entry in to the International market has put your company ahead of the other players in the market both local and international. Given the current position your directors are confident of putting up an impressive show during the current year also.

### **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

For and on behalf of the Board of Directors

May 08, 2013

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:

Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interest of the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the management. It inspires and strengthens investor's confidence and commitment to the company.

The Company believes in ensuring corporate fairness, transparency, professionalism, accountability and propriety in total functioning of the Company, which are pre-requisite for attaining sustainable growth in this competitive corporate world. Obeying the law, both in letter and in spirit, is the foundation on which the Company's ethical standards are built. The Company would constantly endeavor to improve on these aspects.

### 2. Board of Directors:

As on 31<sup>st</sup> March, 2013, the total strength of the Board is five. The Board has an optimum combination of Executive and Non-Executive Directors, which is in conformity with Clause 49 of Listing Agreement. The Board comprises of 4 Non- executive Directors and 1 Promoter Director. As against minimum requirement of 1/3rd of the Independent Directors as per the listing agreement, Independent Directors account for 60% of the Board's strength.

#### 2.1 Composition and category of Directors as at 31<sup>st</sup> March 2013:

The details of composition of the Board and summary of other directorships and Board Committee Memberships of each of Directors as on 31<sup>st</sup> March, 2013 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 of other Cos.
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	02	-
4.	Mr. Chandrakant T. Parikh - Director	Non Executive - Independent	-	-
5.	Mr. Pankaj S. Sheth - Director	Non Executive - Independent	-	-

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the Companies in which they are directors Chairmanship/ membership of Committees include only Audit Committee and Investors' Grievance Committee as covered in clause 49 of the Listing Agreement, as per the disclosures made by the directors. 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 2012-13:

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. Meeting of the Board are scheduled well in advance. During the year 2012-13, the Board met 4 times. Details are as follows:

Sr. No.	Day	Date	Venue
1	Saturday	05.05.2012	Ahmedabad
2	Friday	20.07.2012	Ahmedabad
3	Saturday	27.10.2012	Ahmedabad
4	Friday	25.01.2013	Ahmedabad

Information placed before the Board of Directors broadly covered the items specified in Clause 49 of the Listing Agreement. Agenda and notes on agenda are circulated to the Directors in advance. All material information is incorporated in the Agenda for facilitating meaningful and focused discussions at the meeting.

## 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 2012-13		Annual General Meeting on Dt. 20/07/2012
		Total	Attended	
1.	Mr. Samveg A. Lalbhai - Chairman	4	4	Yes
2.	Mr. Arun P. Sheth - Director	4	2	Yes
3.	Mr. Shreyas C. Sheth - Director	4	4	Yes
4.	Mr. Chandrakant T. Parikh - Director	4	4	Yes
5.	Mr. Pankaj S. Sheth - Director	4	4	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, 2013 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 assist the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirement, 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 Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal control and financial reporting process and inter alia performs the following functions:

- Over viewing the Company's financial reporting process and the disclosure of its financial information.
- Reviewing, with Management, the quarterly and annual financial statements before submission to the Board for approval with particular reference to the matters specified in the Listing Agreement.
- Reviewing the statement of related party transactions and transaction with the companies in which one or more director(s) of the Company is/are deemed to be interested/ concerned.
- Discussing the nature and scope of audit including internal audit prior to the commencement for the audit and areas of concern, if any, arising post audit.
- Reviewing the reports of internal auditors and ensuring that adequate follow up action is taken by the management on observations and recommendations made by the internal auditors.
- Reviewing with the management, performance of Statutory and Internal Auditors
- Recommending to the Board, the appointment, re-appointment of the statutory auditors and fees payable for audit and approving the payment for any other services rendered by the statutory auditors.
- Reviewing the adequacy of internal audit functions and systems, structure, reporting process, audit coverage and frequency of internal audit.
- Reviewing the management discussion and analysis of financial conditions and results of operations and other matters specified under clause 49 of the Listing Agreement.
- Accounting Policies and Practices and Risk Management Policies and Practices
- Review of draft Auditors Report, in particular qualifications/ remarks/ observations made by the Auditors on the financial statements.
- In addition, reviewing of such other functions as envisaged under section 292A of the Act and clause 49 of the Listing Agreement with Stock Exchange.

#### **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 5<sup>th</sup> May, 2012, 20<sup>th</sup> July, 2012, 27<sup>th</sup> October, 2012 and 25<sup>th</sup> January, 2013. 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	4	10000

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 49<sup>th</sup> Annual General Meeting held on 20<sup>th</sup> July, 2012.

4. **Remuneration Committee:**

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

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

Sr. No.	Name of the Directors	Sitting fees Rs.
1.	Mr. Samveg A. Lalbhai - Chairman	20,000
2.	Mr. Arun P. Sheth - Director	10,000
3.	Mr. Shreyas C. Sheth - Director	20,000
4.	Mr. Chandrakant T. Parikh - Director	20,000
5.	Mr. Pankaj S. Sheth - Director	20,000

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

5. **Shareholder / Investor grievance Committee:**

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

b) Name of members: **Mr. Shreyas C. Sheth and Mr. Pankaj S. Sheth.**

Meetings and attendance during the year:

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

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



6. **General Body Meetings:**

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

<b>Financial Year</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>
2011-12	ATMA Hall, Ashram Road, Ahmedabad	20 <sup>th</sup> July, 2012	10:00 a.m.
2010-11	ATMA Hall, Ashram Road, Ahmedabad	15 <sup>th</sup> July, 2011	9:30 a.m.
2009-10	ATMA Hall, Ashram Road, Ahmedabad	9th July, 2010	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](http://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 08/05/2013 in which the Accounts for the financial year ended 31/03/2013 were considered and approved by the Board of Directors.

10. **General Shareholder information :**

i) **Annual General Meeting:**

➤ Date and time: 50<sup>th</sup> Annual General Meeting, Date: 19<sup>th</sup> September, 2013 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 1<sup>st</sup> April to 31<sup>st</sup> March as its financial year.

First Quarter Result : By the end of July 2013.  
Second Quarter Result : By the end of October, 2013.  
Third Quarter Result : By the end of January, 2014.  
Fourth Quarter Result/Year end Result : By the end of April 2014 / May 2014.

iii) **Date of Book closure:** 13<sup>th</sup> September , 2013 to 19<sup>th</sup> September, 2013 (both days inclusive)

iv) **Listing on Stock Exchanges:**

The Company is listed on the Ahmedabad Stock Exchange Ltd. The listing fee for the financial year 2013-14 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 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 2012-13 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, 2012	N.A.	N.A.	17664.10	17010.16
May, 2012	N.A.	N.A.	17432.33	15809.71
June, 2012	N.A.	N.A.	17448.48	15748.98
July, 2012	N.A.	N.A.	17631.19	16598.48

August, 2012	N.A.	N.A.	17972.54	17026.97
September, 2012	N.A.	N.A.	18869.94	17250.8
October, 2012	N.A.	N.A.	19137.29	18393.42
November, 2012	N.A.	N.A.	19372.7	18255.69
December, 2012	N.A.	N.A.	19612.18	19149.03
January, 2013	N.A.	N.A.	20203.66	19508.93
February, 2013	N.A.	N.A.	19966.69	18793.97
March, 2013	N.A.	N.A.	19754.66	18568.43

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, 4<sup>th</sup> 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 15 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 31<sup>st</sup> March 2013**

Sr. No.	Category	No. of shares	Percentage of Share holding %
<b>A.</b>	<b>Promoters' holding</b>		
1.	Promoters	308791	90.82
	<b>Sub-Total</b>	<b>308791</b>	<b>90.82</b>
<b>B.</b>	<b>Non- Promoters, holding</b>		
2.	Mutual Funds & Administrator of the Specified Undertaking of Unit Trust of India		
3.	Banks, Financial Institutions, Insurance Companies etc.	13848	4.07
4.	Foreign Institutional Investors (FIIS)		
	<b>Sub-Total</b>	<b>13848</b>	<b>4.07</b>
<b>C.</b>	<b>Others</b>		
5.	Private Corporate Bodies	5181	1.52

6.	NRIs / OCBs		
7.	State Government		
8.	Indian Public	12180	3.58
	<b>Sub-Total</b>	<b>17361</b>	<b>5.11</b>
	<b>GRAND TOTAL</b>	<b>340000</b>	<b>100</b>

- xi) **Dematerialization of shares and liquidity:** Electronic holding by Members comprising 96.50% of the paid up Equity Share Capital of the Company held through the National Securities Depository Limited (96.24%) and Central Depository Services (India) Limited (0.26%) and 3.50 % are in physical form as on 31.3.2013

Shareholders holding shares in electronic form may please note that:

- a) 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.
- b) 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.
- c) Instructions regarding change of address, nomination and power of attorney should be given directly to the DP.

- xii) **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.

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

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

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

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

- xv) **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.

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**

**Place: Ahmedabad**  
**Date: 8<sup>th</sup> May, 2013**

**CHAIRMAN**

The Board of Directors  
The Anup Engineering Limited

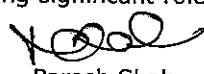
Reg: **Financial Statements for the year 31 March, 2013 – Certification by Chief Executive Officer and Head (Finance and Accounts)**

We Mr. Rishi Roop 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 31<sup>st</sup> March, 2013 and to the best of our knowledge and belief, hereby certify that :

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31<sup>st</sup> March, 2013 which is fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that :
  - a. There have been no significant changes in internal control during this year.
  - b. There have been no significant changes in accounting policies during this year.
  - c. There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems.

Ahmedabad.  
Date: May 08, 2013

  
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, 2013, received from the Members of the Board and Senior management Personnel a declaration of compliance with the Code of Conduct as applicable to them.

Ahmedabad.

Date: May 08, 2013

Chairman



## AUDITORS' REPORT

### TO THE MEMBERS OF THE ANUP ENGINEERING LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of **THE ANUP ENGINEERING LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. 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 and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Sorab S. Engineer & Co.**  
Firm Registration No. 110417W  
Chartered Accountants

Ahmedabad  
May 8, 2013

**CA. Chokshi Shreyas B.**  
Partner  
Membership No. 100892



**ANNEXURE TO THE AUDITORS' REPORT**

**Re: THE ANUP ENGINEERING LIMITED**

Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" 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.

*cc*  
10

## SORAB S. ENGINEER & CO.

- (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.
- (b) There are no undisputed amounts outstanding as at March 31, 2013 for a period of more than six months from the date they became payable.
- (c) Following amounts have not been deposited as on March 31, 2013 on account of any dispute :

Nature of the Statute	Nature of the dues	Amount Rs.	Period to which the amount relates	Forum where matter is Pending
Income Tax Act	Income Tax	57,636	2009-10	Deputy Commissioner of Income Tax
Central Excise Act	Excise Duty	637,042	2010-11 2011-12 2012-13	Commissioner (Appeals) of Central Excise

- (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.

*Handwritten signature*  
MS

**SORAB S. ENGINEER & CO. (Regd.)**

- (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 **Sorab S. Engineer & Co.**  
Firm Registration No. 110417W  
Chartered Accountants

Ahmedabad  
May 8, 2013

**CA. Chokshi Shreyas B.**  
Partner  
Membership No. 100892

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rb

**The Anup Engineering Limited**

**Balance Sheet**

**Amount in Rs.**

	Note	As at	
		March 31, 2013	March 31, 2012
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share Capital	3	34,000,000	34,000,000
Reserves and Surplus	4	344,100,592	294,709,947
<b>Non-current liabilities</b>			
Long Term Borrowings	5	-	2,051,393
Deferred Tax Liabilities (Net)	6	28,881,021	28,671,107
Long Term Provisions	7	3,520,431	2,947,830
<b>Current liabilities</b>			
Short Term Borrowings	8	101,982,622	224,610,862
Trade Payables	9	77,130,130	88,757,966
Other Current Liabilities	10	69,719,779	67,541,779
Short Term Provisions	7	4,540,840	-
<b>TOTAL</b>		<b>663,875,415</b>	<b>743,290,884</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed Assets:			
Tangible Assets	11	222,922,827	238,026,312
Intangible Assets	12	4,272,004	546,173
Capital Work-in-progress		432,490	-
Long Term Loans and Advances	13	8,579,652	13,811,111
<b>Current assets</b>			
Inventories	14	141,519,798	170,289,407
Trade Receivables	15	250,750,595	289,657,561
Cash and Bank Balances	16	24,270,018	19,251,402
Short Term Loans and Advances	13	11,128,031	11,708,918
<b>TOTAL</b>		<b>663,875,415</b>	<b>743,290,884</b>
<b>Significant Accounting Policies</b>	2		

As per our report of even date attached  
For **Sorab S. Engineer & Co.**  
Firm Registration No. 110417W  
Chartered Accountants

**Chairman**

**CA. Chokshi Shreyas B.**  
Partner  
Membership No.100892

**Directors**

Ahmedabad  
May 8, 2013

**The Anup Engineering Limited**

**Statement of Profit and Loss**

Amount in Rs.

	Note	Year ended	
		March 31, 2013	March 31, 2012
Revenue from operations (Gross)	18	793,310,280	810,125,719
Less: Excise duty		58,839,765	70,109,124
		734,470,515	740,016,595
Other Income	19	7,023,553	4,587,072
<b>Total Revenue</b>		<b>741,494,068</b>	<b>744,603,667</b>
<b>Expenses:</b>			
Cost of materials consumed	20	403,036,360	340,662,714
Changes in inventories of finished goods, work-in-progress	21	196,397	116,991,576
Employee benefits expense	22	64,483,970	60,812,016
Finance costs	23	17,917,898	27,679,399
Depreciation and amortization expense	24	20,179,422	20,459,394
Other expenses	25	165,679,462	175,446,029
<b>Total expenses</b>		<b>671,493,509</b>	<b>742,051,128</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>70,000,559</b>	<b>2,552,539</b>
Exceptional items		-	-
<b>Profit before extraordinary items and tax</b>		<b>70,000,559</b>	<b>2,552,539</b>
Extraordinary Items		-	-
<b>Profit before tax</b>		<b>70,000,559</b>	<b>2,552,539</b>
<b>Tax expense:</b>			
Current tax		20,400,000	500,000
MAT Credit Entitlement		-	(302,000)
Deferred tax		209,914	1,194,192
<b>Profit for the year</b>		<b>49,390,645</b>	<b>1,160,347</b>
Add: Excess Provision for Taxation written back		-	-
<b>Profit available to Equity Shareholders</b>		<b>49,390,645</b>	<b>1,160,347</b>
<b>Earnings per equity share (Note 30)</b>			
(Nominal Value per Share Rs. 100/- (Previous year Rs. 100/-):			
Basic		<b>145.27</b>	<b>3.41</b>
Diluted		<b>145.27</b>	<b>3.41</b>
<b>Significant Accounting Policies</b>	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

Chairman

**CA. Chokshi Shreyas B.**  
Partner  
Membership No.100892

Directors

Ahmedabad  
May 8, 2013

*cut*

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The Anup Engineering Limited

Cash Flow Statement

Amount in Rs.

Particulars	Year ended	
	March 31, 2013	March 31, 2012
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before taxation	70,000,559	2,552,539
Adjustments for:		
Depreciation /Amortization	20,179,422	20,459,394
Interest Income	(3,301,730)	(2,123,406)
Interest Expenses	17,917,898	27,679,399
Sundry credit balance apportioned	(497,966)	(7,534)
Sundry debit balance written off	795,083	12,902
Loss on Sale of Tangible assets	326,488	5,498
<b>Operating Profit before Working Capital Changes</b>	<b>105,419,754</b>	<b>48,578,793</b>
Working Capital Changes:		
Changes in Inventories	28,769,609	125,915,622
Changes in provisions	572,601	16,762
Changes in trade payables	(11,129,870)	(100,331,033)
Changes in other current liabilities	25,025,392	(26,184,287)
Changes in long term loans and advances	(1,245,452)	(54,500)
Changes in trade receivables	38,111,883	18,855,415
Changes in short term loans and advances	580,887	(621,057)
Changes in other bank balances	(5,121,440)	(2,500,000)
<b>Net Changes in Working Capital</b>	<b>75,563,610</b>	<b>15,096,922</b>
<b>Cash Generated from Operations</b>	<b>180,983,364</b>	<b>63,675,714</b>
Direct Taxes paid (Net of Income Tax refund)	(9,382,249)	(1,761,120)
<b>Net Cash from Operating Activities</b>	<b>171,601,115</b>	<b>61,914,594</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of Fixed assets	(10,405,853)	(6,522,267)
Sale of tangible assets	845,107	690,749
Interest Income	3,301,730	2,123,406
<b>Net cash flow from Investing Activities</b>	<b>(6,259,016)</b>	<b>(3,708,112)</b>
<b>C Cash Flow from Financing Activities</b>		
Changes in long term Borrowings	(24,898,765)	(49,510,335)
Changes in short term borrowings	(122,628,240)	22,975,594
Dividend Paid	(20)	(3,357,030)
Dividend Tax Paid	-	(551,565)
Borrowing Cost Paid	(17,917,898)	(27,679,399)
<b>Net Cash flow from Financing Activities</b>	<b>(165,444,923)</b>	<b>(58,122,735)</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents</b>	<b>(102,824)</b>	<b>83,747</b>
Cash & Cash equivalent at the beginning of the period	251,402	167,655
Cash & Cash equivalent at the end of the period	148,578	251,402

Particulars	As at	
	March 31, 2013	March 31, 2012
<b>Cash and cash equivalents comprise of:</b>		
Cash on Hand	70,308	156,488
Balances with Banks*	78,270	94,914
<b>Total</b>	<b>148,578</b>	<b>251,402</b>
* Includes the following balance which is not available for use by the Company. Unpaid dividend account	78,270	78,290

As per our report of even date attached  
For Sorab S. Engineer & Co.  
Firm Registration No. 110417W  
Chartered Accountants

Chairman

CA. Chokshi Shreyas B.  
Partner  
Ahmedabad

Director

Ahmedabad  
May 8, 2013

# The Anup Engineering Limited

## Notes to 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. Significant Accounting Policies

#### a. Basis of Preparation of Financial Statement

The Company follows the Mercantile System of Accounting. The accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to otherwise are consistent with generally accepted accounting statements.

The preparation of financial Statements requires the management to make estimates and assumptions in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

#### b. Inflation

Assets and liabilities are recorded at historical cost to the Company. These costs are not adjusted to reflect the changing value in the purchasing power of money.

#### c. 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.

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(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.

**d. 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.

**e. Investments**

Investments are valued at cost of acquisition.

**f. 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.

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#### **g. 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 the Statement of Profit and Loss.

#### **h. 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 Statement of Profit and Loss.

##### **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.

#### **i. 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

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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 reassess realization.

**j. Earning Per Share**

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

**k. Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

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### 3 Share Capital

Amount in Rs:	
As at	
March 31, 2013	March 31, 2012

<b>Authorised</b> 500,000 Equity Shares (Previous Year 500,000) Par Value of Rs.100/- per share	50,000,000	50,000,000
	<b>50,000,000</b>	<b>50,000,000</b>
<b>Issued</b> 340,000 Equity Shares (Previous Year 340,000) Par Value of Rs. 100/- per share	34,000,000	34,000,000
	<b>34,000,000</b>	<b>34,000,000</b>
<b>Subscribed and fully paid up</b> 340,000 Equity Shares (Previous Year 340,000) Par Value of Rs.100/- per share fully paid up	34,000,000	34,000,000
<b>TOTAL</b>	<b>34,000,000</b>	<b>34,000,000</b>

#### a Reconciliation of No. of Shares

Particulars	As At			
	March 31, 2013		March 31, 2012	
	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	<b>340,000</b>	<b>34,000,000</b>	<b>340,000</b>	<b>34,000,000</b>

#### b 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.

#### c Shares held by Holding Company

Particulars	As at	
	March 31, 2013	March 31, 2012
Number of Shares held by Holding Company - Arvind Limited	300,000	300,000

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

Particulars	As at	
	March 31, 2013	March 31, 2012
Holding Company - Arvind Limited	3,00,000 88.24%	3,00,000 88.24%

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**The Anup Engineering Limited**

**4 Reserves and Surplus**

Amount in Rs.		
As at		
March 31, 2013	March 31, 2012	
<b>Securities Premium Account</b> Balance as per last financial statements	1,920	1,920
<b>GENERAL RESERVE</b> Balance as per last financial statements	7,001,075	7,001,075
<b>Surplus in Statement of Profit and Loss</b> Balance as per last financial statements	287,706,952	286,546,605
Add : Profit for the year	49,390,645	1,160,347
<b>Balance at the end of the year</b>	<b>337,097,597</b>	<b>287,706,952</b>
<b>TOTAL</b>	<b>344,100,592</b>	<b>294,709,947</b>

**5 Long Term Borrowings**

Amount in Rs.

Non- Current portion		Current Maturities	
As At		As At	
March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012

<b>Secured</b>				
<b>Term Loans :</b> From Banks	-	2,051,393	222,587	23,069,959
	-	<b>2,051,393</b>	<b>222,587</b>	<b>23,069,959</b>
<b>Amount disclosed under the head "Other Current Liabilities" (Note 10)</b>	-	-	222,587	23,069,959
<b>TOTAL</b>	-	<b>2,051,393</b>	-	-

**a Nature of Security**

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
HDFC Bank - Hire Purchase Loan	222,587	9% to 11%	Repayable in 36 monthly installments from the date of release of respective loans

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**The Anup Engineering Limited**

**6 Deferred Tax Liabilities (Net)**

	Amount in Rs.	
	As at	
	March 31, 2013	March 31, 2012
<b>Deferred Tax Liability</b> In respect of Fixed Assets	30,062,353	29,769,551
<b>Total (a)</b>	<b>30,062,353</b>	<b>29,769,551</b>
<b>Deferred Tax Asset</b> In respect of Expenditure allowable on payment basis	1,181,332	1,098,444
<b>Total (b)</b>	<b>1,181,332</b>	<b>1,098,444</b>
<b>Net Liability (a-b)</b>	<b>28,881,021</b>	<b>28,671,107</b>

**7 Provisions**

	Amount in Rs.			
	Long Term		Short Term	
	As at		As at	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Provision for Income tax (Net of Advance tax paid Rs. 146,169,160/- Previous Year Rs. Nil)	-	-	4,540,840	-
Provision for Employee Benefits Leave Encashment	3,520,431	2,947,830	-	-
<b>TOTAL</b>	<b>3,520,431</b>	<b>2,947,830</b>	<b>4,540,840</b>	<b>-</b>

**8 Short Term Borrowings**

	Amount in Rs.	
	As at	
	March 31, 2013	March 31, 2012
<b>Secured</b>		
Working Capital Loans repayable on demand From Banks	93,480,113	216,108,353
	<b>93,480,113</b>	<b>216,108,353</b>
<b>Unsecured</b>		
Interest Free Intercorporate Deposits From Fellow subsidiary company	8,502,509	8,502,509
	<b>8,502,509</b>	<b>8,502,509</b>
<b>TOTAL</b>	<b>101,982,622</b>	<b>224,610,862</b>

**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, holding company.

**b Rate of Interest**

- i. Loans from banks carry interest rate ranging from 11.50% to 14.50% per annum.

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**The Anup Engineering Limited**

**9 Trade Payables**

Amount in Rs.	
As at	
March 31, 2013	March 31, 2012

Creditors in respect of goods and services (Note a)	77,130,130	88,757,966
<b>TOTAL</b>	<b>77,130,130</b>	<b>88,757,966</b>

a The Company has not received any intimation on suppliers 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.

**10 Other Current Liabilities**

Amount in Rs.	
As at	
March 31, 2013	March 31, 2012

Current maturities of long-term borrowings (Note 5)	222,587	23,069,959
Advance From Customers	58,244,912	34,392,728
Investor Education and Protection Fund shall be credited by the following amount namely : @		
Unpaid dividends	78,270	78,290
Statutory Dues	4,918,721	4,035,625
Payable in respect of Employee dues	5,947,915	5,428,866
Others	307,374	536,311
<b>TOTAL</b>	<b>69,719,779</b>	<b>67,541,779</b>

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The Anup Engineering Limited

11 Tangible Assets

Particular	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As on 01.04.2012	Additions	Disposals	As on 31.03.2013	As on 01.04.2012	For the year	Deductions	As on 31.03.2013	As on 31.03.2013	As on 31.03.2013	As on 31.03.2012	
Leasehold Land (Note a)	142,327	-	1,195	141,132	-	-	-	-	-	141,132	142,327	
<b>Own Assets</b>												
Freehold Land	217,000	-	-	217,000	-	-	-	-	-	217,000	217,000	
Buildings	90,170,565	124,886	-	90,295,451	11,860,975	2,691,378	-	14,552,353	14,552,353	75,743,098	78,309,590	
Plant and Equipments	232,833,925	1,292,326	26,951	234,099,300	83,683,039	15,740,634	770	99,422,903	99,422,903	134,676,397	149,150,886	
Furniture and Fixtures	8,344,722	489,844	91,187	8,743,379	3,886,597	518,229	9,731	4,395,095	4,395,095	4,348,284	4,458,125	
Office Equipments	2,822,913	233,770	-	3,056,683	1,346,603	123,614	-	1,470,217	1,470,217	1,586,466	1,476,310	
Vehicles	5,792,960	3,667,395	1,409,995	8,050,360	1,520,886	665,061	346,037	1,839,910	1,839,910	6,210,450	4,272,074	
<b>TOTAL</b>	<b>340,324,412</b>	<b>5,808,221</b>	<b>1,529,328</b>	<b>344,603,305</b>	<b>102,298,100</b>	<b>19,738,916</b>	<b>356,538</b>	<b>121,660,478</b>	<b>121,660,478</b>	<b>222,922,827</b>	<b>238,026,312</b>	
Previous Year	335,226,493	5,863,991	766,072	340,324,412	82,907,482	19,459,248	68,630	102,298,100	102,298,100	238,026,312	252,319,011	

a Amortization of Leasehold Land is shown as disposals.

12 Intangible Assets

Particular	GROSS BLOCK				AMORTISATION				NET BLOCK			
	As on 01.04.2012	Additions	Disposals	As on 31.03.2013	As on 01.04.2012	For the year	Deductions	As on 31.03.2013	As on 31.03.2013	As on 31.03.2013	As on 31.03.2012	
<b>Own Assets</b>												
Computer Software	5,984,587	2,099,164	-	8,083,751	5,438,414	336,012	-	5,774,426	5,774,426	2,309,325	546,173	
Technical Knowhow	-	2,065,978	-	2,065,978	-	103,299	-	103,299	103,299	1,962,679	-	
Drawings	100,000	-	-	100,000	100,000	-	-	100,000	100,000	-	-	
<b>TOTAL</b>	<b>6,084,587</b>	<b>4,165,142</b>	<b>-</b>	<b>10,249,729</b>	<b>5,538,414</b>	<b>439,311</b>	<b>-</b>	<b>5,977,725</b>	<b>5,977,725</b>	<b>4,272,004</b>	<b>546,173</b>	
Previous Year	5,426,311	658,276	-	6,084,587	4,539,463	998,951	-	5,538,414	5,538,414	546,173	886,848	

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**The Anup Engineering Limited**

**13 Loans and Advances**  
(Unsecured, Considered good unless otherwise stated)

	Amount in Rs.			
	Long Term		Short Term	
	As At		As At	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Security Deposits	2,082,200	1,182,200	341,875	382,376
MAT Credit Entitlement	6,152,000	6,152,000	-	-
Advance Income Tax Paid (Net of Provision Rs. Nil, Previous Year Rs. 130,310,000/-)	-	6,476,911	-	-
Prepaid Expenses	-	-	668,752	70,922
Advances recoverable in cash or kind	345,452	-	10,117,404	11,255,620
<b>TOTAL</b>	<b>8,579,652</b>	<b>13,811,111</b>	<b>11,128,031</b>	<b>11,708,918</b>

**14 Inventories**

	Amount in Rs.	
	As at	
	March 31, 2013	March 31, 2012
Raw Materials	41,887,837	65,337,817
In Transit	-	1,646,874
Work-in-Progress	69,979,708	77,692,445
Finished Goods	24,737,196	17,537,988
Stores and Spares	4,915,057	7,898,065
In Transit	-	176,218
<b>TOTAL</b>	<b>141,519,798</b>	<b>170,289,407</b>

**a Details of Inventory**

	Amount in Rs.	
	As at	
	March 31, 2013	March 31, 2012
<b>Work-in-Progress</b>		
Chemical and Pharmaceutical Machinerles	68,397,939	77,515,191
Industrial Centrifuges	1,581,769	177,254
<b>TOTAL</b>	<b>69,979,708</b>	<b>77,692,445</b>
<b>Finished Goods</b>		
Chemical and Pharmaceutical Machinerles	24,548,100	15,743,026
Industrial Centrifuges	189,096	1,794,962
<b>TOTAL</b>	<b>24,737,196</b>	<b>17,537,988</b>

**15 Trade Receivables**  
(Unsecured, considered good unless otherwise stated)

	Amount in Rs.	
	As at	
	March 31, 2013	March 31, 2012
Outstanding for a period exceeding six months from the date they are due for payment	14,378,259	29,606,121
Others	236,372,336	260,051,440
<b>TOTAL</b>	<b>250,750,595</b>	<b>289,657,561</b>

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**The Anup Engineering Limited**

**16 Cash and Bank Balances**

	Amount in Rs.	
	As at	
	March 31, 2013	March 31, 2012
<b>Cash and Cash Equivalents:</b>		
<b>Cash on Hand</b>	70,308	156,488
<b>Balances with Banks</b>		
In Current Account	-	16,624
In Unpaid Dividend Accounts	78,270	78,290
	78,270	94,914
	<b>148,578</b>	<b>251,402</b>
<b>Other Bank Balances</b>		
Deposits held as Margin Money (Under lien with Bank against Bank Guarantee)	24,121,440	19,000,000
	<b>24,121,440</b>	<b>19,000,000</b>
<b>TOTAL</b>	<b>24,270,018</b>	<b>19,251,402</b>

**17 Contingent Liabilities**  
(to the extent not provided for)

	Amount in Rs.	
	As at	
	March 31, 2013	March 31, 2012
Claims against the company not acknowledged as debt	-	525,545
Guarantees given by Banks on behalf of Company (Note a)	300,273,113	273,217,437
Disputed Demands in respect of		
Excise Duty	637,042	-
Income Tax	57,636	-
<b>TOTAL</b>	<b>300,967,791</b>	<b>273,742,982</b>

- 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.

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**The Anup Engineering Limited**

**18 Revenue from Operations**

Amount in Rs.		
Year ended		
	March 31, 2013	March 31, 2012
<b>Sale of products :</b>		
Finished Goods	720,395,475	783,313,353
Less: Late Delivery Charges	421,143	10,446,421
	<b>719,974,332</b>	<b>772,866,932</b>
<b>Other operating revenues</b>		
Job Work Charges	39,755,140	8,297,983
Scrap Sales	33,580,808	28,960,804
	<b>73,335,948</b>	<b>37,258,787</b>
<b>TOTAL</b>	<b>793,310,280</b>	<b>810,125,719</b>

**a Details of Sales/Services**

Amount in Rs.		
Year ended		
	March 31, 2013	March 31, 2012
Chemical and Pharmaceutical Machineries	692,206,028	710,356,568
Industrial Centrifuges	16,674,747	63,436,360
Job work charges	39,755,140	8,297,983
Others	45,095,508	38,481,229
	793,731,423	820,572,140
Less : Late delivery charges	421,143	10,446,421
<b>TOTAL</b>	<b>793,310,280</b>	<b>810,125,719</b>

**19 Other Income**

Amount in Rs.		
Year ended		
	March 31, 2013	March 31, 2012
Interest Income		
Bank Deposits	1,760,586	1,592,206
Others	1,541,144	531,200
Sundry Credit balance apportioned	497,966	7,534
Provision no longer required	1,651,789	495,000
Exchange Difference (Net)	13,971	-
Others	1,558,097	1,961,132
<b>TOTAL</b>	<b>7,023,553</b>	<b>4,587,072</b>

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**The Anup Engineering Limited**

**20 Cost of materials consumed**

	Amount in Rs.	
	Year ended	
	March 31, 2013	March 31, 2012
Raw Materials including Packing Materials	65,337,817	68,076,312
Stock at the commencement	379,586,380	337,924,219
Purchases	444,924,197	406,000,531
Less: Stock at Close	41,887,837	65,337,817
<b>TOTAL</b>	<b>403,036,360</b>	<b>340,662,714</b>

**a Details of Consumption**

**(i) Consumption of Raw Materials**

	Amount in Rs.	
	Year ended	
	March 31, 2013	March 31, 2012
Metal Sheets and Plates	207,496,126	158,109,941
Metal Pipes and Tubes	59,667,571	67,808,909
Structural Materials	8,216,190	7,661,665
Welding Electrodes	27,864,835	21,091,124
Components	99,791,638	85,991,075
<b>TOTAL</b>	<b>403,036,360</b>	<b>340,662,714</b>

**(ii) Value of imported and indigenous materials consumed**

	Amount in Rs.	
	Year ended	
	March 31, 2013	March 31, 2012
Imported	27,874,789 6.92%	25,965,307 7.62%
Indigenous	375,161,571 93.08%	314,697,407 92.38%
<b>TOTAL</b>	<b>403,036,360</b> <b>100%</b>	<b>340,662,714</b> <b>100%</b>

**21 Changes in Inventories of Finished Goods & Work-in-progress**

	Amount in Rs.	
	Year ended	
	March 31, 2013	March 31, 2012
<b>(Increase)/Decrease in stocks</b>		
Stock at the end of the year		
Finished Goods	24,737,196	17,537,988
Work in Progress	69,979,708	77,692,445
	94,716,904	95,230,433
Stock at the beginning of the year		
Finished Goods	17,537,988	4,399,212
Work in Progress	77,692,445	207,822,797
	95,230,433	212,222,009
Excise Duty in Value of Stock - Increase / (Decrease)	(317,132)	-
<b>(Increase)/Decrease in stocks</b>	<b>196,397</b>	<b>116,991,576</b>

**22 Employee Benefits Expense**

	Amount in Rs.	
	Year ended	
	March 31, 2013	March 31, 2012
Salaries and Wages	59,314,736	55,636,642
Contribution to Provident Fund and Other Funds	3,482,138	3,579,984
Staff welfare expenses	1,687,096	1,595,390
<b>TOTAL</b>	<b>64,483,970</b>	<b>60,812,016</b>

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**The Anup Engineering Limited**

**23 Finance Costs**

	Amount in Rs.	
	Year ended	
	March 31, 2013	March 31, 2012
Interest		
On Term Loans	2,647,101	7,017,912
On Cash Credit Facilities	7,792,809	14,071,780
Others	2,228,545	5,499,073
Other borrowing cost	5,249,443	1,090,634
<b>TOTAL</b>	<b>17,917,898</b>	<b>27,679,399</b>

**24 Depreciation / Amortization Expense**

	Amount in Rs.	
	Year ended	
	March 31, 2013	March 31, 2012
Amortization of Leasehold land	1,195	1,195
Depreciation on Tangible assets	19,738,916	19,459,248
Amortization on Intangible assets	439,311	998,951
<b>TOTAL</b>	<b>20,179,422</b>	<b>20,459,394</b>

**25 Other Expenses**

	Amount in Rs.	
	Year ended	
	March 31, 2013	March 31, 2012
Stores Consumed	21,992,667	19,409,454
Power and Fuel	10,466,119	12,328,010
Job Work Charges	74,262,160	85,683,417
Rent	75,860	7,610
Rates and Taxes	1,650,534	885,441
Postage and Courier Charges	197,413	271,514
Computer expenses	790,010	1,313,037
Drawing and Drafting Charges	1,470,937	500,409
Security Charges	1,173,125	867,049
Printing Stationery and Xerox charges	2,144,044	1,879,099
Insurance	825,020	498,682
Building Repairs	5,817,812	7,705,643
Machinery Repairs	9,540,069	8,920,193
Other Repairs	2,103,138	3,501,508
Freight, Octroi etc.	8,078,966	7,592,655
Brokerage and Commission	77,700	300,000
Communication Expenses	442,563	520,555
Payments to the auditor as		
(a) auditor	220,000	175,000
(b) for tax audit	60,000	75,000
(c) for certifications	157,000	88,000
(d) for reimbursement of expenses	9,980	6,800
Legal and Professional Fees	1,407,418	928,872
Retainership Fees	3,851,552	2,852,665
Directors' Fees	120,000	110,000
Travelling Expenses	3,569,699	4,674,357
Inspection Charges	3,900,383	4,344,535
Sundry Debit Balance Written Off	795,083	12,902
Exchange Rate Difference(Net)	-	26,091
Loss of Sales of Fixed Assets	326,488	5,498
Bank Charges	6,887,713	5,693,578
Miscellaneous Expenses	3,266,009	4,268,455
<b>TOTAL</b>	<b>165,679,462</b>	<b>175,446,029</b>

**(ii) Value of imported and indigenous spares consumed**

	Amount in Rs.	
	Year ended	
	March 31, 2013	March 31, 2012
Imported	-	-
Indigenous	6,707,985	3,501,508
<b>TOTAL</b>	<b>6,707,985</b>	<b>3,501,508</b>
	100%	100%

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**The Anup Engineering Limited**

**26 CIF Value of Imports**

	Amount in Rs.	
	Year ended	
	March 31, 2013	March 31, 2012
Raw Materials	23,949,948	21,197,674

**27 Expenditure in Foreign Currency**

	Amount in Rs.	
	Year ended	
	March 31, 2013	March 31, 2012
Membership fees	884,706	685,618
Technical Know-how	2,065,978	-
Others	37,083	-

**28 Earning in Foreign Currency**

	Amount in Rs.	
	Year ended	
	March 31, 2013	March 31, 2012
Export of goods calculated on F.O.B. basis	76,146,130	269,855

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**The Anup Engineering Limited**

**29 Employee Benefits**

**(A) Defined Benefit Plans:**

(a) Leave Encashment/Compensated Absences  
Salaries and wages include Rs. 1,209,359 (Rs. 1,252,296) towards provision made as per actuarial valuation in respect of accumulated leave encashment/compensated absences.

(b) Contribution to Gratuity Funds  
Disclosure for defined benefit plans based on actuarial reports as on March 31, 2013. Expenses recognised for the year ended on March 31, 2013 ( included in Note 23 to the Statement of Profit and Loss.

Particulars	2012-13	2011-12
<b>Change in the Benefit Obligations :</b>		
Liability at the beginning of the year	3,846,428	5,306,338
Interest Cost	326,946	427,160
Current Service Cost	700,024	485,312
Benefits Paid	(1,673,547)	(1,107,941)
Actuarial Loss/(Gain)	893,381	(1,264,441)
Liability at the end of the year	4,093,232	3,846,428
<b>Fair Value of Plan Assets :</b>		
Fair Value of Plan Assets at the beginning of the year	4,833,288	5,800,389
Adjustment of earlier year	-	-
Expected Return on Plan Assets	410,829	522,035
Contributions	1,016,236	-
Benefits Paid	(1,673,547)	(1,107,941)
Actuarial gain/(loss) on Plan Assets	(126,273)	(381,195)
Fair Value on Plan Assets at the end of the year	4,460,533	4,833,288
Total Actuarial (Loss) /Gain to be recognized	(1,019,654)	883,246
<b>Actual Return on Plan Assets :</b>		
Expected Return on Plan Assets	410,829	522,035
Actuarial gain/(loss) on Plan Assets	(126,273)	(381,195)
Actual Return on Plan Assets	284,556	140,840
<b>Amount Recognized in the Balance Sheet :</b>		
Liability at the end of the year	4,093,232	3,846,428
Fair Value of Plan Assets at the end of the year	4,460,533	4,833,288
Amount recognized in the Balance Sheet under " Provision for Employee Benefits "	367,301	986,860
<b>Expense Recognized in the Statement of Profit and Loss :</b>		
Interest Cost	326,946	427,160
Current Service Cost	700,024	485,312
Expected Return on Plan Assets	(410,829)	(522,035)
Net Actuarial loss/(gain) to be recognized	1,019,654	(883,246)
Expense recognized in the Statement of Profit and Loss under Employee Benefits Expense	1,635,795	(492,809)
<b>Reconciliation of the Liability Recognized in the Balance Sheet :</b>		
Opening Net Liability	(986,860)	(494,051)
Expense Recognized	1,635,795	(492,809)
Contribution by the Corporation	(1,016,236)	-
Amount recognized in the Balance Sheet under " Provision for Employee Benefits "	(367,301)	(986,860)
<b>Experience Adjustment</b>		
Experience adjustments on plan liabilities(Gain)/Loss	812,766	(1,468,076)
Experience adjustments on plan Assets Gain/(Loss)	(126,273)	(381,195)
Discount rate (%)	8.25	8.50
Estimated rate of return on plan assets (%)	8.50	8.50
Salary escalation (%)	8.00	8.00
Retirement age	58	58

**(B) Defined Contribution Plan:**

An amount of Rs. 3,005,519/- (Previous year Rs. 2,973,090/-) is recognised as expense and included in the Note 23 "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 rates are obtained from the relevant data of Life Insurance Corporation of India.

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**30 Earning Per Share (EPS) :**

**Amount in Rs., unless otherwise stated**

		Year ended	
		March 31, 2013	March 31, 2012
		Profit for the year available to equity shareholders	Rs. 49,390,645
Basic/Weighted average no. of Equity Shares	Nos. 340,000	340,000	
Nominal value of Equity Shares	Rs. 100	100	
Basic/Diluted Earning Per Share	Rs. 145.27	3.41	

**31 Segment Reporting**

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

**b Secondary Segment (Geographical by Customers)**

	Amount in Rs.	
	Year ended	
	March 31, 2013	March 31, 2012
<b>Segment Revenue</b>		
a) In India	658,324,385	739,746,740
b) Outside India	76,146,130	269,855
<b>Total Sales</b>	<b>734,470,515</b>	<b>740,016,595</b>
<b>Carrying Cost of Assets by location of Assets</b>		
a) In India	631,543,068	743,290,884
b).Outside India	32,332,347	-
<b>Total</b>	<b>663,875,415</b>	<b>743,290,884</b>
<b>Addition to Assets</b>		
a) In India	10,405,853	6,522,267
b) Outside India	-	-
<b>Total</b>	<b>10,405,853</b>	<b>6,522,267</b>

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**32 Related Party Disclosures :**

As per the Accounting Standard on "Related Party Disclosures" (AS 18) notified by Companies (Accounting Standards) Rules, 2006, the related parties of the Company are as follows :

**a List of Related Parties & Nature of Relationship :**

Arvind Limited	Holding Company
Arvind Accel Limited	Fellow Subsidiary
Asman Investments Limited	Fellow Subsidiary

**b Related Party Transactions :**

Nature of Transactions	Amount in Rs.	
	Year ended	
	March 31, 2013	March 31, 2012
<b>Purchase</b>		
Arvind Limited	453,775	602,145
<b>Sale</b>		
Arvind Limited	1,592,702	625,401
<b>Loan Taken</b>		
Arvind Limited	150,000,000	150,000,000
<b>Loan Repaid</b>		
Arvind Limited	150,000,000	150,000,000
<b>Interest Expense</b>		
Arvind Limited	2,044,109	5,438,425
<b>Receivable in respect of Current Assets</b>		
Arvind Accel Limited	82,352	82,352
<b>Payable in respect of Current Liabilities</b>		
Arvind Limited	607,869	199,917
<b>Payable in respect of Loan</b>		
Asman Investments Limited	8,502,509	8,502,509

**33** In the opinion of the Board, all 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 except for reconciliation adjustments in respect of some of the payables and receivables.

**34** Previous year's figures have been regrouped wherever necessary.

As per our report of even date attached  
**For Sorab S. Engineer & Co.**  
 Firm Registration No. 110417W  
 Chartered Accountants

**Chairman**

**CA Chokshi Shreyas B.**  
 Partner  
 Membership No. 100892  
 Ahmedabad  
 May 8, 2013

**Directors**



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

General Business Profile

<b>I. Registration Details :</b>	
Registration No.	001170
State Code :	04
Balance Sheet Date :	31.03.2013
<b>II. Capital Raised during the Year</b>	
Public Issue	(Rs.in Lacs)
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
<b>III. Position of Mobilisation and Deployment of Funds</b>	
Total Liabilities	
Total Assets	6638.75
	6638.75
<b>Sources of Funds:</b>	
Paid-up Capital	340.00
Reserve and Surplus	3441.00
Secured Loans	934.80
Unsecured Loans	85.02
Deferred Tax Liabilities (Net)	288.81
<b>Application of Funds:</b>	
Net fixed Assets	2276.27
Investments	-
Net Current Assets	4362.48
Misc. Expenditure	-
Accumulated Losses	-
<b>IV. Performance of Company</b>	
Turnover (Incl. other income)	7414.94
Total Expenditure	6714.94
Profit before Tax	700.01
Profit after Tax	493.91
Earning Per Share in Rs.	145.27
Dividend Rate %	
<b>V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)</b>	
Item Code No. (ITC Code)	841989.01
Product Description	Pressure Vessels, Reactors
Item Code No. (ITC Code)	842119.02 and 842119.07
Product Description	Centrifuges
Item Code No. (ITC Code)	731100.09
Product Description	Chlorine Containers