

THE ANUP ENGINEERING LIMITED
AHMEDABAD

DIRECTORS :

SHRI SAMVEG A. LALBHAI

CHAIRMAN

SHRI ARUN P. SHETH

SHRI PANKAJ SUDHAKER SHETH

SHRI CHANDRAKANT T. PARIKH

SHRI SHREYAS CHINUBHAI SHETH

REGISTERED OFFICE/WORKS :

Behind 66 KV Elec. Sub-Station,
Odhav Road,
Ahmedabad-382 415
Tel No. : 22870622

AUDITORS :

MESSERS SORAB S ENGINEER & CO.
Chartered Accountants

BANKERS :

Bank of Baroda

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

DIRECTORS' REPORT

Your Directors submit herewith the 48th Annual Report together with the audited statements of Accounts for the year ended 31st March, 2011

1. FINANCIAL RESULTS :

	2010-2011 (Rs.in Lacs)	2009-2010 (Rs.in Lacs)
Profit before Interest, Depreciation & Taxation	764.06	1961.07
Less : Interest (Net)	290.43	217.02
Depreciation & Write off	<u>187.83</u>	<u>125.50</u>
	478.26	342.52
Provision for Taxation - Current	58.50	477.00
- Deferred	104.77	71.78
- Less: MAT Credit Entitlements	<u>58.50</u>	<u>-</u>
	<u>104.77</u>	<u>548.78</u>
Profit for the year	181.03	1069.77
Adjustments of earlier years	-	(15.62)
	<u>181.03</u>	<u>1054.15</u>
Add: Balance as per last Balance Sheet	<u>2757.95</u>	<u>1777.58</u>
Balance available for appropriation	2938.98	2831.73
Less : Transfer to General Reserve	34.00	34.00
Proposed Dividend	34.00	34.00
Tax on above	<u>5.52</u>	<u>5.78</u>
Balance Carried to Balance Sheet	2865.46	2757.95

Your Directors are happy to recommend the payment of Dividend of Rs. 10/- per share (previous year Rs. 10/- per share) for the year ended on 31st March 2011 subject to Tax on Dividend.

2. OPERATIONS:

Your Directors are pleased to report that during the year your company could achieve turnover of Rs. 8817 Lacs as against Rs. 9104 Lacs during the year 2009-10. The Turnover for the year was slightly lower than the previous year but Profit for the year substantially reduced to Rs. 181 Lacs from Rs. 1070 Lacs during the previous year. Profit before interest, depreciation and tax also shown decline from Rs. 1961 Lacs to Rs. 764 Lacs.

3. PROSPECTS:

After an unprecedented slow down world over, the economic recovery started but the pace of recovery was slow and major economies were still not out of danger. Fortunately, India could withstand the Crisis in a much better way than the rest of the World and could come out of this turmoil much faster. As the world was facing slow down major players of the industry in which your company operates started operations in domestic markets in a very big way to fill the gap of export shortfall. This, coupled with sudden spurt in Raw Material prices, unprecedented level of inflation, rising interest and manpower cost has seriously impacted operating margins of the Company. In view of this your company is cautious about the performance of the company during the current year also. Order book position with your company is though reasonable is not at the level at which it was prevailing in earlier two to three years. Your Directors are striving hard to come out of this difficult time.

4. EMPLOYEES:

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

The Anup Engineering Limited

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 31.3-2011

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 Samveg A. Lalbhai and Shri Pankaj S. Sheth, Directors 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.
May 11, 2011.

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

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

A. CONSERVATION OF ENERGY:

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

FORM A

A. POWER AND FUEL CONSUMPTION :

	<u>2010-2011</u>	<u>2009-2010</u>
1. (a) Electricity :		
Units	1770100	1712588
Total Amount (Rs.)	9638486	9708727
Rate/Unit (Rs.)	5.45	5.67
(b) Own Generation :		
(Through Diesel Generator)		
Units	33888	29952
Total Amount (Rs.)	665762	390988
Rate/Unit (Rs.)	19.65	13.05
2. Furnace Oil:		
Qty (Liters)	193540	235200
Cost	7911386	6350480
Rate per	40.88	27.00

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:

	2010-2011 (Rs.in Lacs)	2009-2010 (Rs.in Lacs)
Capital	-	-
Recurring	<u>55.02</u>	<u>36.42</u>
Total	55.02	36.42
Total R and D Expenditure as % of Total Turn Over	0.59	0.40

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.

The Anup Engineering Limited

COMPLIANCE CERTIFICATE

Registration No. of the Company : 04-1170
Nominal Capital : Rs. 5.00 Crores

To,

The Members

THE ANUP ENGINEERING LIMITED

Behind 66 KV Electricity Sub- Station,
Odhav Road,
Ahmedabad-382415

I have examined the registers, records, books and papers of **M/S. THE ANUP ENGINEERING LIMITED** as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011. 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 04/05/2010, 27/07/2010, 28/10/2010 and 31/01/2011 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 02/07/2010 to 09/07/2010 during the financial year.
6. The Annual General Meeting for the financial year ended on 31/03/2010 was held on 09/07/2010 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 not issued any duplicate share certificate during the year under review.
13. (i) The Company has delivered all the certificates on lodgement thereof for transfer/ transmission of securities during the financial year under review. There was no allotment of securities during the financial year.
(ii) The Company has deposited the amount of dividend in a separate Bank Account within the prescribed period during the financial year.
(iii) The Company had posted warrants for dividend to all members of the Company within a period of 30 days from the date of declaration.
(iv) The Company was not required to comply with the provisions of section 205C of the Companies Act, 1956 as there was no amount outstanding for period of seven years to the investors of the company.

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

FOR RAJESH PAREKH & CO
Company Secretary

PLACE: AHMEDABAD
DATE: 11/05/2011

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

The Anup Engineering Limited

ANNEXURE 'A'

Statutory and Other Registers maintained by the Company:

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

ANNEXURE "B"

Forms and Return as filed by the Company with the Registrar of Companies, Gujarat during the financial year ended on 31/03/2011

SR. NO.	FORM NO./ RETURN	FILED UNDER SECTION	FOR	DATE OF FILING	WHETHER FILED WITHIN PRESCRIBED TIME	IF DELAY IN FILING WHETHER REQUISITE ADDITIONAL FEES PAID
1.	Statement in Lieu of Advertisement. (Form-62)	Rule 4A of Companies (Acceptance of Deposit) Rules, 1975	Accept Deposit for the year 2010-11	13/05/2010	YES	N.A.
2.	Form 66	383A	Compliance Certificate	20/07/2010	YES	N.A.
3.	Balance Sheet (Form 23AC & Form 23ACA)	220	31/03/2010	02/08/2010	YES	N.A.
4.	Annual Return (Form 20B)	159	09/07/2010	06/09/2010	YES	N.A.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The sales of the Company has shown small decline from Rs. 9104 Lacs to Rs. 8817 Lacs.. Profit before Taxation shown substantial reduction from Rs. 1619 Lacs , during the previous year to Rs. 286 lacs during the year and Profit net of Tax also shown decline from Rs.1054 Lacs, during the previous year to Rs. 181 Lacs during the year.

Industry Structure & Developments

The Company is in heavy fabrication industry and is one of the leading players since last 40 plus years. Your company is one of the very few companies in the country, which has integrated fabrication facilities under one roof.

Your Company 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

While the global economy is still recovering from it, India was fortunate to come out this sudden slow down world over and that too without major impact on the economic development. Your company was holding reasonable order book position at the beginning of the financial year but the mix of orders and margins in orders in hand were not healthy as in the earlier years. Further, sudden spurt in Raw Material prices coupled with constant double digit inflation and rising interest rates badly affected the performance of the Company.

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

Strengths and Weakness:

During the year 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 is in the process of obtaining "U2" "S" and "R" Certification. With this Company would be in a better position to explore the Export Market. Company makes use of latest engineering software technology like Microprotol, PVELITE-2009, COMPRESS-6260,PERT-CPM, IMMS etc. as design, manufacturing and process control tools. Company is leading quality fabricator. All these will give an edge to the company. Being Subsidiary of Arvind Limited, Company is proud member of leading industrial house in the country.

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

Outlook

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

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
May 11, 2011

For and on behalf of the Board of Directors
Samveg A. Lalbhai,
Chairman

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

The Anup Engineering Limited

REPORT ON CORPORATE GOVERNANCE

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

The Company believes that it must so govern its affairs as to optimize satisfaction amongst all its stakeholders, which includes its esteemed customers, providers of capital, employees and society at large. The Company believes that, in whatever it does, it must contribute to the economic and social development of India, a basic tenet of the Lalbhai Group to which your Company belongs. The Company views the governance norms originating in the institutions of the capital market as an integral part of its corporate governance philosophy to be respected not just in the letter but, more importantly, in spirit. The Company aims at attainment of the highest levels of transparency, accountability and equity in its operations, thus leading to best standards of Corporate Governance.

2) Board of Directors:

The Board of Directors is governed by the provisions of the Companies Act, 1956, the Articles of Association of the Company and Clause 49 of the Listing Agreement entered with the Stock Exchange. The Company has a balanced structure of the Board of Directors. The present strength of the Board is five directors, comprises of 4 Non - Executive Directors and 1 Promoter Director. As against minimum requirement of 1/3rd of the Independent Directors as per the listing agreement, Independent Directors account for 60% of the Board's strength.

2.1 Composition and category of Directors as at 31st March 2011:

The details of composition of the Board and summary of other directorships and Board Committee Memberships of each of Directors as on 31st March, 2011 are as follows:

Sr. No.	Name of the Directors	Category	No. of other Directorships held in public limited cos.	No. of membership/ chairmanship on the Committee(s) of the Board
1.	Mr. Samveg A. Lalbhai - Chairman	Non Executive-Non-Independent	03	Chairmanship _ 1 Membership _ 1
2.	Mr. Arun P. Sheth – Director	Non Executive-Non-Independent	01	-
3.	Mr. Shreyas C. Sheth – Director	Non Executive – Independent	02	Chairmanship_1 Membership_2
4.	Mr. Chandrakant T. Parikh – Director	Non Executive – Independent	-	Chairmanship_1 Membership_1
5.	Mr. Pankaj S. Sheth – Director	Non Executive – Independent	-	Membership_2

None of the Directors on the Company's Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (Committees being, Audit Committee and Investors' Grievance Committee) across all the companies in which he is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not 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 2010-11:

The Company holds at least four board meetings in a year with at least one meeting in each quarter to review the quarterly financial results and other items of the Agenda. Additional meetings are held when necessary. Meeting of the Board are scheduled well in advance. The maximum time gap between two meetings was not more than 4 calendar months. During the Financial Year 2010-11, four meeting of Board of Directors were held. Details of which are as follows are as follows :

Sr. No.	Day	Date	Venue
1	Tuesday	04.05.2010	Ahmedabad.
2	Tuesday	27.07.2010	Ahmedabad.
3	Thursday	28.10.2010	Ahmedabad.
4	Monday	31.01.2011	Ahmedabad.

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

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

Sr. No.	Name of Director & Designation	Board Meetings held during 2010-11		Annual General Meeting on Dt. 09/07/2010
		Total	Attended	
1.	Mr. Samveg A. Lalbhai - Chairman	4	4	Yes
2.	Mr. Arun P. Sheth – Director	4	4	Yes
3.	Mr. Shreyas C. Sheth – Director	4	4	Yes
4.	Mr. Chandrakant T. Parikh – Director	4	4	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, 2011 affirmed compliance with the Code of Conduct. A declaration to this effect, duly signed by the Chairman is annexed and forms part of this report.

3. Audit Committee:

3.1 Composition, name of members and Chairman:

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

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

3.2 Brief description of terms of reference

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

- Financial reporting process
- Draft financial statements (before submission to the Board)
- Accounting Policies and Practices
- Internal Controls and Internal Audit Systems
- Risk Management Policies and Practices
- Related Party Transactions
- Internal Audit Reports and adequacy of internal audit function
- Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
- Reviewing with the management, performance of Statutory and Internal Auditors
- Discussion with the Internal Auditors on any significant findings and follow-up thereon
- Management Discussion and Analysis of financial conditions and results of operations.

The Anup Engineering Limited

- Recommending the Board, the appointment, re-appointment, replacement or removal of the Statutory Auditors and fixation of remuneration to Auditors for audit of accounts and other services.
- Review of draft Auditors Report, in particular qualifications/ remarks/ observations made by the Auditors on the financial statements.

3.3 Meetings and attendance during the year:

Four Meetings of the Committee were held during the financial year. I.e. on 4th May, 2010, 27th July, 2010, 28th October, 2010 and 31st January, 2011. 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	7500
2.	Mr. Chandrakant T. Parikh– Member	4	4	7500
3	Mr. Pankaj S. Sheth – Member	4	4	7500

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 47th Annual General Meeting held on 9th July, 2010.

Sitting fees for attending the Audit Committee meetings have been paid w.e.f. 27th July, 2010 as per resolution passed in the Board Meeting held on 4th May, 2010.

4. Remuneration Committee:

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

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

Sr. No.	Name of the Directors	Sitting feesRs.
1.	Mr. Samveg A. Lalbhai - Chairman	20,000
2..	Mr. Arun P. Sheth – Director	20,000
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:

Financial Year	Location	Date	Time
2009-10	ATMA Hall, Ashram Road, Ahmedabad	9th July, 2010	9:30 a.m.
2008-09	ATMA Hall, Ashram Road, Ahmedabad	28 th July, 2009	9:30 a.m.
2007-08	ATMA Hall, Ashram Road, Ahmedabad	26 September, 2008	9:30 a.m.

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

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

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

iii) Passing of Special Resolutions by Postal Ballot:

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

7. Disclosures:

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

8. Means of communication:

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

9. Certification by the CEO/CFO:

Mr. Rishi Roop Kapoor, Chief Executive Officer and Mr. Paresh Shah, Head (Finance and Accounts) of the Company, issued a Certificate to the Board as prescribed under sub-clause V of Clause 49 of the Listing Agreement. The said Certificate was placed before the Board Meeting held on **11/05/2011** in which the Accounts for the financial year ended **31/03/2011** were considered and approved by the Board of Directors.

10. General Shareholder information :

i) Annual General Meeting:

☛ Date and time: 48th Annual General Meeting, Date: 15th July, 2011 at 9:30 a.m.

☛ Venue: ATMA HALL, Ashram Road, Ahmedabad.

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

ii) Financial Calendar:

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

First Quarter Results : By the end of July 2011.

Second Quarter Results : By the end of October, 2011.

Third Quarter Results : By the end of January, 2012.

Fourth Quarter Results/Year end Results : By the end of April 2012 / May 2012.

iii) Date of Book closure: July 08, 2011 to July 15, 2011 (both days inclusive)

vi) Listing on Stock Exchanges:

The Company is listed on the Ahmedabad Stock Exchange Ltd. The listing fee for the financial year **2011-12** 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 Anup Engineering Limited

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 last financial year, as per below.

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

Month	Share Price of Anup Engg. Ltd., At ASE		BSE Sensex	
	High(Rs)	Low (Rs)	High	Low
April, 2010	N.A.	N.A.	18047.86	17276.80
May, 2010	N.A.	N.A.	17536.86	15960.15
June, 2010	N.A.	N.A.	17919.62	16318.39
July, 2010	N.A.	N.A.	18237.56	17395.58
August, 2010	N.A.	N.A.	18475.27	17819.99
September, 2010	N.A.	N.A.	20267.98	18027.12
October, 2010	N.A.	N.A.	20854.55	19768.96
November, 2010	N.A.	N.A.	21108.64	18954.82
December, 2010	N.A.	N.A.	20552.03	19074.57
January, 2011	N.A.	N.A.	20664.80	18038.48
February, 2011	N.A.	N.A.	18690.97	17295.62
March, 2011	N.A.	N.A.	19575.16	17792.17

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

viii) **Registrar and Transfer Agent:**

Sharepro Services (India) Pvt. Ltd.,

416-420, 4th Floor, Devnandan Mall, Opp. Sanyash Ashram,
Nr. M.J. Library, Ashram Road, Ellisbridge, Ahmedabad-380006
Phone : 079-26582381 to 84, Fax : 079- 26582385
Email: 'sharepro.ahmedabad@shareproservices.com'

ix) **Share Transfer System:**

- Securities lodged for transfer at the Registrar's address are processed within 30 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 21 days.
- Pursuant to clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates on half-yearly basis have been issued by a Company Secretary in Practice for due compliance of share transfer formalities by the Company. Pursuant to the SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from a Company Secretary in Practice for timely dematerialization of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company. All the certificates were filed with the Stock Exchanges where the Shares of the Company are listed.

x) Distribution of shareholding as on 31st March 2011

Sr. No.	Category	No. of shares	Percentage of Share holding %
A.	Promoters' holding		
1.	Promoters	308822	90.83
	Sub-Total	308822	90.83
B.	Non- Promoters, holding		
2.	Mutual Funds & Administrator of the Specified Undertaking of Unit Trust of India	-	-
3.	Banks, Financial Institutions, Insurance Companies etc.	13848	4.07
4.	Foreign Institutional Investors (FIIS)	-	-
	Sub-Total	13848	4.07
C.	Others		
5.	Private Corporate Bodies	5381	1.58
6.	NRIs / OCBs	-	-
7.	State Government	-	-
8.	Indian Public	11949	3.52
	Sub-Total	17330	5.10
	GRAND TOTAL	340000	100.00

xii) **Dematerialization of shares and liquidity:** Electronic holding by Members comprising **96.43%** of the paid up Equity Share Capital of the Company held through the National Securities Depository Limited (**96.23%**) and Central Depository Services (India) Limited (**0.20%**) and **3.57 %** are in physical form as on **31.3.2011**. Shareholders holding shares in electronic form may please note that:

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

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

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

- Shri Samveg A. Lalbhai - 382
- Shri Shreyas C. Sheth – 401
- 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.

The Anup Engineering Limited

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

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

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

For THE ANUP ENGINEERING LTD

Ahmedabad.

11th May, 2011

**SAMVEG A. LALBHAI
CHAIRMAN**

The Board of Directors

The Anup Engineering Limited

**Reg. : Financial Statements for the year 31 March, 2011 - Certification by
Chief Executive Officer and Head (Finance and Accounts)**

We Mr. Rishi Kapoor, CEO & Mr. Paresh Shah, Head (Finance and Accounts) of The Anup Engineering Limited on the basis of review of the financial statements and the cash flow statement for the financial year ending 31st March, 2011 and to the best of our knowledge and belief, hereby certify that :

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31st March, 2011 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.

May 11, 2011

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, 2011, 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.

11th May, 2011

**SAMVEG A. LALBHAI
CHAIRMAN**

Compliance of Conditions of Corporate Governance

To
The Members
The Anup Engineering Limited
Ahmedabad.

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchange, Ahmedabad, for the year ended on March 31, 2011.

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

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

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

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

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

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

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

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

Ahmedabad
11th May, 2011.

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

The Anup Engineering Limited

Auditors' Report to the Members of The Anup Engineering Limited

1. We have audited the attached Balance Sheet of **THE ANUP ENGINEERING LIMITED** ("the Company"), as at March 31, 2011, the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 ("Order") issued by the Central Government of India in terms of sub - section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the applicable accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v) On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

Ahmedabad
11th May, 2011.

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

Annexure to The Auditors' Report

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

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

The Anup Engineering Limited

Further since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

- (b) There are no undisputed amounts outstanding as at March 31, 2011 for a period of more than six months from the date they became payable.
- (c) There are no disputed amounts that have not been deposited as on March 31, 2011.
- (x) The Company has neither any accumulated losses nor has incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the order are not applicable.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause (xiv) of paragraph 4 of the order are not applicable.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the Company has not given any guarantee for loans taken by others from banks or financial Institutions during the year.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loans obtained during the year were, *prima facie*, applied by the Company for the purpose for which they were obtained, other than temporary deployment pending application.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have not *prima facie*, been used during the year for long-term investments.
- (xviii) During the year, the Company has not made any preferential allotment of shares to persons covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us and the records examined by us, the Company has not issued any Secured Debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) Based upon the audit procedure performed by us and as per the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Ahmedabad
11th May, 2011.

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

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	31st March 2011 Rs.	31st March 2010 Rs.
I. SOURCES OF FUNDS:			
(1) Shareholders' Funds:			
(a) Capital	1	34,000,000	34,000,000
(b) Reserves & Surplus	2	<u>293,549,600</u>	<u>279,397,841</u>
		327,549,600	<u>313,397,841</u>
(2) Loan Funds:			
(a) Secured Loans	3	267,764,446	306,425,626
(b) Unsecured Loans	4	<u>8,502,509</u>	<u>8,502,509</u>
		276,266,955	<u>314,928,135</u>
(3) Deferred Tax Liabilities (Net) (See Note 7)		<u>27,476,915</u>	<u>17,000,266</u>
		TOTAL	<u>631,293,470</u>
			<u>645,326,242</u>
II. APPLICATION OF FUNDS:			
(1) Fixed Assets:			
(a) Gross Block		340,652,804	261,154,151
(b) Less : Depreciation		<u>87,446,945</u>	<u>68,913,968</u>
(c) Net Block	5	253,205,859	192,240,183
(d) Capital Work-in-progress, Cost to Date		<u>-</u>	<u>52,357,332</u>
		253,205,859	<u>244,597,515</u>
(2) Investments	6	-	-
(3) Current assets, Loans and Advances :	7		
(a) Inventories		296,205,029	287,990,453
(b) Sundry Debtors		308,525,878	244,564,567
(c) Cash and Bank Balances		16,667,655	13,695,163
(d) Loans and Advances		<u>20,729,268</u>	<u>26,828,401</u>
		<u>642,127,830</u>	<u>573,078,584</u>
Less : Current Liabilities and Provisions :	8		
(a) Liabilities		260,088,654	156,875,091
(b) Provisions		<u>3,951,565</u>	<u>15,474,766</u>
		<u>264,040,219</u>	<u>172,349,857</u>
Net Current Assets		378,087,611	<u>400,728,727</u>
		TOTAL	<u>631,293,470</u>
			<u>645,326,242</u>
Notes forming part of the Accounts	18		

As per our attached report of even date.

For and on behalf of the Board of Directors

For Sorab S. Engineer & Co.

Firm Registration No. 110417W

Chartered Accountants

CA Chokshi Shreyas B.

Partner.

(Membership No. 100892)

Ahmedabad.

11th May, 2011

SAMVEG A. LALBHAI

CHAIRMAN

SHREYAS C. SHETH

ARUN P. SHETH

DIRECTORS

Ahmedabad.

11th May, 2011

The Anup Engineering Limited

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	2010-2011	2009-2010
		Rs.	Rs.
INCOME:			
Income from Operation	9	964,152,492	984,218,793
Less : Excise Duty		<u>86,342,199</u>	<u>76,772,146</u>
		877,810,293	907,446,647
Other Income	10	<u>3,815,350</u>	<u>2,940,169</u>
		881,625,643	910,386,816
Increase/(Decrease) in Stocks	11	<u>37,548,987</u>	<u>(9,550,660)</u>
		919,174,630	900,836,156
EXPENDITURE:			
Raw Materials Consumed	12	596,160,958	473,499,042
Manufacturing Expenses	13	142,184,128	133,588,366
Employees' Emoluments	14	58,828,655	45,099,487
Interest and Finance Charges	15	37,137,888	35,857,330
Other Expenditure	16	37,500,457	38,386,713
Depreciation and amortisation	17	<u>18,782,571</u>	<u>12,550,074</u>
		890,594,656	738,981,012
Profit before Taxation		28,579,973	161,855,144
Provision for Taxation :			
Current Tax		5,850,000	47,700,000
Deferred Tax (See Note 8)		10,476,649	7,178,442
Less : MAT Credit Entitlement		<u>5,850,000</u>	<u>-</u>
		10,476,649	54,878,442
Profit for the year		<u>18,103,324</u>	<u>106,976,702</u>
Expenses relating to earlier years		-	1,561,558
Profit after Tax		<u>18,103,324</u>	<u>105,415,144</u>
As per last Account		275,794,846	177,757,532
Transfer to General Reserve		3,400,000	3,400,000
Proposed Dividend		3,400,000	3,400,000
Corporate Dividend Tax on above		<u>551,565</u>	<u>577,830</u>
Balance carried to Balance Sheet		<u>286,546,605</u>	<u>275,794,846</u>
Notes forming part of the Accounts	18		
(Basic/diluted earning per share having Face Value of Rs. 100) (See Note 10)		Rs. 53.25	Rs. 310.04

As per our attached report of even date.

For and on behalf of the Board of Directors

For Sorab S. Engineer & Co.

Firm Registration No. 110417W

Chartered Accountants

CA Chokshi Shreyas B.

Partner.

(Membership No. 100892)

Ahmedabad.

11th May, 2011

SAMVEG A. LALBHAI

CHAIRMAN

SHREYAS C. SHETH

ARUN P. SHETH

DIRECTORS

Ahmedabad.

11th May, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011
(Pursuant to listing agreement with stock exchange)

	2010-2011		2009-2010	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:				
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		28,579,973		161,855,144
Adjustment for Depreciation and amortisation	18,782,571		12,550,074	
Excess provision for Corporate Dividend Tax	(13,132)		-	
Interest (Net)	29,043,499		21,702,401	
Surplus on sale of Fixed Assets	(58,010)		(61,451)	
		<u>47,754,928</u>		<u>34,191,024</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		76,334,901		196,046,168
Adjustment for :				
Trade and Other Receivables	(57,842,171)		36,373,564	
Inventories	(8,214,576)		(27,992,695)	
Trade Payables	103,191,032		(46,245,322)	
		<u>37,134,285</u>		<u>(37,864,453)</u>
CASH GENERATED FROM OPERATIONS :		113,469,186		158,181,715
Taxes Paid	(22,472,357)		(37,717,116)	
CASH FLOW BEFORE EXTRA ORDINARY ITEMS		<u>90,996,829</u>		<u>120,464,599</u>
Extra Ordinary Item		-		-
NET CASH FLOW FROM OPERATING ACTIVITIES		<u>90,996,829</u>		<u>120,464,599</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	(28,524,016)		(111,148,150)	
Sale of Fixed Assets	1,191,111		61,451	
Interest Received	5,158,369		4,968,233	
NET CASH FLOW FROM INVESTING ACTIVITIES		<u>(22,174,536)</u>		<u>(106,118,466)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Total proceeds from borrowings (Net of Repayments)		(38,661,180)		25,484,286
Loan to a Company		10,977,945		(10,977,945)
Dividend Paid		(3,964,698)		-
Interest Paid		(34,201,868)		(26,670,634)
NET CASH USED IN FINANCIAL ACTIVITIES		<u>(65,849,801)</u>		<u>(12,164,293)</u>
Net Increase/Decrease in Cash and Cash equivalents		2,972,492		2,181,840
Cash and Cash Equivalents at the Opening of the Period		13,695,163		11,513,323
Cash and Cash Equivalents at the Closing of the Period		<u>16,667,655</u>		<u>13,695,163</u>

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard 3- Cash Flow Statement referred to in The Companies Accounting Standard Rules, 2006.
- Cash and Cash Equivalents includes balances with Schedule Bank in margin money Rs.1,65,00,000/- (Previous Year Rs.1,36,50,000/-) which are not available for use by the Company.
- Cash Flow in Brackets indicate Cash Outgo.

For and on behalf of the Board of Directors

For Sorab S. Engineer & Co.

Firm Registration No. 110417W

Chartered Accountants

CA Chokshi Shreyas B.

Partner.

(Membership No. 100892)

Ahmedabad.

11th May, 2011

SAMVEG A. LALBHAI

CHAIRMAN

SHREYAS C. SHETH

ARUN P. SHETH

DIRECTORS

Ahmedabad.

11th May, 2011

The Anup Engineering Limited

Schedule "1" to "18" annexed to and forming part of the Balance Sheet as at and Profit & Loss Account for the year ended 31st March, 2011

	31st March 2011 Rs.	31st March 2010 Rs.
SCHEDULE '1': SHARE CAPITAL		
AUTHORISED:		
5,00,000 Equity Shares of Rs.100/- each (Previous Year 5,00,000 Shares)	<u>50,000,000</u>	<u>50,000,000</u>
ISSUED AND SUBSCRIBED :		
3,40,000 Equity Shares of Rs.100/-each (Previous Year 3,40,000 Equity Shares)	<u>34,000,000</u>	<u>34,000,000</u>
PAID UP:		
3,40,000 Equity Shares of Rs.100/-each, Fully Paid-up (Previous Year 3,40,000 Equity Shares)	<u>34,000,000</u>	<u>34,000,000</u>
TOTAL	<u>34,000,000</u>	<u>34,000,000</u>

Note :

Out of the above shares,

- 2,00,000 Equity Shares (Previous Year 2,00,000 Shares) of Rs.100/- each have been issued to Arvind Limited on conversion of part of loan, in terms of Board of Industries and Financial Reconstruction Order dt.8th December, 2005 approving the Rehabilitation Scheme.
- 3,00,000 Equity Shares (Previous Year 3,00,000 Shares) of Rs.100/- each are held by the Holding Company.
- 5,000 Equity Shares (Previous Year 5,000 Shares) of Rs.100/- each allotted to Shareholders of Hind Laboratories Private Ltd. as fully paid without payment being received in cash, in terms of amalgamation scheme sanctioned by Gujarat High Court, as per order dated 20/07/1964
- 2,500 Equity Shares (Previous Year 2,500 Shares) of Rs.100/- each allotted to M/s.Machinefabriek Reineveld N.V., as fully paid without payment being received in cash pursuant to collaboration agreement for Technical Know-how
- 9,992 Equity Shares (Previous Year 9,992 Shares) are issued as fully paid Bonus Shares by way of Capitalisation of Reserve

SCHEDULE '2' : RESERVES AND SURPLUS:

Security Premium Account		1,920	1,920
General Reserve			
As per last account	3,601,075		201,075
Set aside this year	<u>3,400,000</u>		<u>3,400,000</u>
		7,001,075	3,601,075
Balance in Profit and Loss Account		<u>286,546,605</u>	<u>275,794,846</u>
TOTAL		<u>293,549,600</u>	<u>279,397,841</u>

SCHEDULE '3' : SECURED LOANS:

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

Term Loan		72,433,070	120,005,234
Cash Credit		193,132,759	184,457,082
From a Bank against Hypothecation of Cars		<u>2,198,617</u>	<u>1,963,310</u>
TOTAL		<u>267,764,446</u>	<u>306,425,626</u>
SCHEDULE '4' : UNSECURED LOANS:			
From Companies		<u>8,502,509</u>	<u>8,502,509</u>
TOTAL		<u>8,502,509</u>	<u>8,502,509</u>

SCHEDULE '5' : FIXED ASSETS :

FIXED ASSETS	GROSS BLOCK (a)				DEPRECIATION				NET BLCOK	
	As on	Additions	Deduc-	As on	Up to	Adjust-	For the	Up to	As on	As on
	31.03.2010	Rs.	tions	31.03.2011	31.03.2010	ments	Year	31.03.2011	31.03.2011	31.03.2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets:										
Land, Leasehold	144,717	-	1,195	143,522	-	-	-	-	143,522	144,717
Land, Freehold	217,000	-	-	217,000	-	-	-	-	217,000	217,000
Buildings	46,438,047	43,732,518	-	90,170,565	7,085,036	-	2,084,900	9,169,936	81,000,629	39,353,011
Machinery	193,217,002	33,888,491	113,130	226,992,363	51,787,454	97,346	14,508,614	66,198,722	160,793,641	141,429,548
Electric Installations	1,768,003	-	-	1,768,003	1,768,003	-	-	1,768,003	-	-
Tube Well	380,490	-	-	380,490	31,679	-	6,232	37,911	342,579	348,811
Furniture and Fixtures	8,657,615	922,722	37,609	9,542,728	4,233,758	1,908	502,782	4,734,632	4,808,096	4,423,857
Vehicles	4,904,966	2,337,617	1,230,761	6,011,822	598,056	149,145	549,367	998,278	5,013,544	4,306,910
Intangible Assets:										
Computer Software	5,326,311	-	-	5,326,311	3,309,982	-	1,129,481	4,439,463	886,848	2,016,329
Drawings	100,000	-	-	100,000	100,000	-	-	100,000	-	-
Total Rs.	261,154,151	80,881,348	1,382,695	340,652,804	68,913,968	248,399	18,781,376	87,446,945	253,205,859	192,240,183
Previous Year's Total Rs.	203,792,762	59,717,019	2,355,630	261,154,151	58,719,524	2,354,435	12,548,879	68,913,968	192,240,183	

Notes :

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

	Rs.	31st March 2011 Rs.	31st March 2010 Rs.
SCHEDULE '6' : INVESTMENTS; AT COST: *			
In Government and Trust Securities:			
72 (72) 6.75% Bonds of Rs.100/- each of Unit Trust of India, Quoted (Market Value Rs.7326/-.)		-	-
TOTAL		<u>-</u>	<u>-</u>

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

(a) Inventories:

Stores and Spares, at cost or net realisable value whichever is lower		8,285,400	9,906,955
Stock-in-Trade : at cost or net realisable value whichever is lower			
Raw Materials	68,076,312		93,691,985
Work-in-Progress	207,822,797		170,273,810
Finished Goods	4,399,212		4,399,212
		<u>280,298,321</u>	<u>268,365,007</u>
Goods in Transit, at cost, to date		7,621,308	9,718,491
		<u>296,205,029</u>	<u>287,990,453</u>

(b) Sundry Debtors, Unsecured, Good:

(i) Outstanding for more than six months	20,270,983		56,169,664
(ii) Other	288,254,895		188,394,903
		<u>308,525,878</u>	<u>244,564,567</u>

The Anup Engineering Limited

	31st March 2011 Rs.	31st March 2010 Rs.
(c) Cash and Bank Balances :		
Cash on hand	115,711	28,370
Bank Balances:		
With Scheduled Banks :		
In Current Account	51,944	16,793
In Margin deposits	<u>16,500,000</u>	<u>13,650,000</u>
	<u>16,551,944</u>	<u>13,666,793</u>
	16,667,655	13,695,163
(d) Loans and Advances, Unsecured, Good:		
Loan to a Company	-	10,977,945
Advances recoverable in cash or in kind or for value to be received	8,326,377	14,627,360
Balance with Customs and Collectorate of Central Excise	1,337,100	1,155,257
Advance Fringe Benefit Tax (Net of Provision Rs. 360,000; Previous Year Rs 360,000)	67,839	67,839
Advance Income Tax (Net of Provision Rs. 129,450,000)	5,147,952	-
MAT Credit Entilement	<u>5,850,000</u>	<u>-</u>
	<u>20,729,268</u>	<u>15,850,456</u>
	<u>20,729,268</u>	<u>26,828,401</u>
TOTAL	<u>642,127,830</u>	<u>573,078,584</u>
SCHEDULE '8': CURRENT LIABILITIES AND PROVISIONS :		
(a) Liabilities :		
Sundry Creditors :		
Due to Micro,Small and Medium Enterprises (Refer Note 11)	-	-
Others:		
For Goods:	134,791,633	60,774,296
For Expenses	29,380,594	24,792,767
Others	<u>38,043,694</u>	<u>15,740,116</u>
	202,215,921	101,307,179
Advances from Customers	<u>57,872,733</u>	<u>55,567,912</u>
	260,088,654	156,875,091
(b) Provisions :		
Provision for Income Tax (Net of Advance Tax Rs. 112,125,595)	-	11,474,405
Provision for Leave Encashment	-	22,531
Proposed Dividend	3,400,000	3,400,000
Corporate Tax on Dividend	<u>551,565</u>	<u>577,830</u>
	<u>3,951,565</u>	<u>3,977,830</u>
	<u>3,951,565</u>	<u>15,474,766</u>
TOTAL	<u>264,040,219</u>	<u>172,349,857</u>

ANNUAL REPORT

	Rs.	2010-2011 Rs.	2009-2010 Rs.
SCHEDULE '9' : INCOME FROM OPERATION:			
Sales (Net of Returns)	989,284,391		989,709,053
Fabrication Charges	3,958,631		4,052,797
	<u>993,243,022</u>		<u>993,761,850</u>
Less : Late Delivery Charges	<u>30,889,123</u>		<u>22,210,268</u>
		962,353,899	971,551,582
Job work Charges(Gross, Tax Deducted at Source Rs. 170,094; Previous Year Rs. 288,864)		<u>1,798,593</u>	<u>12,667,211</u>
TOTAL		<u>964,152,492</u>	<u>984,218,793</u>
SCHEDULE '10' : OTHER INCOME:			
		-	-
Miscellaneous Income		2,012,507	1,603,524
Late Delivery Charges Recovered		-	901,540
Sundry Credit Balances appropriated		1,544,200	332,119
Dividend Income		-	35,257
Surplus on sale of Fixed Assets		58,010	61,451
Excess provision taxation		21,453	-
Provisions no longer required		<u>179,180</u>	<u>6,278</u>
TOTAL		<u>3,815,350</u>	<u>2,940,169</u>
SCHEDULE '11' : INCREASE/(DECREASE) IN STOCKS:			
Stocks at Close:			
Work-in-Progress	207,822,797		170,273,810
Finished Goods	<u>4,399,212</u>		<u>4,399,212</u>
		212,222,009	174,673,022
Less : Stocks at Commencement:			
Work-in-Progress	170,273,810		177,116,525
Finished Goods	<u>4,399,212</u>		<u>7,242,165</u>
		<u>174,673,022</u>	<u>184,358,690</u>
		37,548,987	(9,685,668)
Excise Duty variations on Opening/Closing Stock		-	135,008
TOTAL		<u>37,548,987</u>	<u>(9,550,660)</u>
SCHEDULE '12' : RAW MATERIALS CONSUMED:			
Raw Materials Consumed:			
Stocks at Commencement		93,691,985	63,912,321
Purchases		<u>570,545,285</u>	<u>503,278,706</u>
		664,237,270	567,191,027
Less : Stocks at Close		<u>68,076,312</u>	<u>93,691,985</u>
TOTAL		<u>596,160,958</u>	<u>473,499,042</u>
SCHEDULE '13' : MANUFACTURING EXPENSES:			
Stores and Spares Consumed		20,932,843	17,407,888
Power and Fuel		13,419,676	16,547,843
Job Work Charges		93,567,979	83,823,919
Building Repairs		2,830,689	5,704,473
Machinery Repairs		<u>11,432,941</u>	<u>10,104,243</u>
TOTAL		<u>142,184,128</u>	<u>133,588,366</u>

The Anup Engineering Limited

	Rs.	2010-2011 Rs.	2009-2010 Rs.
SCHEDULE '14' : EMPLOYEES' EMOLUMENTS:			
Salaries, Wages, Bonus etc.		50,413,768	38,886,116
Contribution to Provident and Other Funds		2,889,088	2,094,512
Welfare Expenses		5,344,957	3,974,831
Other Employee Cost		180,842	144,028
TOTAL		<u>58,828,655</u>	<u>45,099,487</u>
SCHEDULE '15' : INTEREST AND FINANCE CHARGES:			
Interest :			
On Fixed Loans	13,603,387		14,093,570
Other	<u>20,598,481</u>		<u>12,577,064</u>
	34,201,868		26,670,634
Less :Interest Received (Gross, Tax deducted Rs.505,381/-, Previous Year Rs.551,101/-)	<u>5,158,369</u>		<u>4,968,233</u>
		29,043,499	21,702,401
Bank Charges and Processing Fees		8,094,389	14,154,929
TOTAL		<u>37,137,888</u>	<u>35,857,330</u>
SCHEDULE '16' : OTHER EXPENDITURE:			
Rent		7,610	7,610
Rates and Taxes		676,973	689,009
Insurance		316,705	375,602
Other Repairs		2,728,864	1,482,741
Freight, Octroi etc.		8,018,122	4,332,425
Selling commission		2,358,311	1,675,286
Auditor's Remuneration		350,500	239,500
Legal and Professional Fees		2,414,442	7,237,681
Retainer Fees		2,695,750	2,287,100
Directors' Fees		122,500	67,500
Travelling Expenses		3,963,194	3,946,307
Miscellaneous Expenses		9,911,454	10,846,891
Inspection Charges		3,600,196	4,002,609
Sundry Debit Balance Written Off		200,000	188,359
Exchange Rate Difference(Net)		94,168	78,222
Service Line Connection Charges		-	873,652
Brokerage		41,668	56,219
TOTAL		<u>37,500,457</u>	<u>38,386,713</u>
SCHEDULE '17' : DEPRECIATION AND AMORTISATION:			
Amortisation of leasehold land		1,195	1,195
Depreciation		<u>18,781,376</u>	<u>12,548,879</u>
TOTAL		<u>18,782,571</u>	<u>12,550,074</u>

	2010-2011 Rs.	2009-2010 Rs.		
SCHEDULE '18' : NOTES FORMING PART OF THE ACCOUNTS :				
1. Contingent Liabilities not provided for in respect of :				
(a) Claims against the Company not acknowledged as Debts	525,545	525,545		
(b) Excise matter under appeal	-	169,538		
1. A Estimated amount of Contracts remaining to be executed on Capital account and not provided for	-	548,356		
2. Payment to Auditors: *				
i. As Auditors	175,000	140,000		
ii. In other capacity :				
Tax Audit	75,000	35,000		
Certification	88,000	60,000		
iii. Reimbursement of Expenses	-	4,500		
	338,000	239,500		
* Excluding Service Tax				
3. Guarantees given by Company's Bankers are secured by extension of hypothecation charge on Raw-materials, Finished Goods, Work-in-progress, etc. and against charge on Fixed Assets of the Company.	307,580,816	252,321,455		
4. Raw Materials Consumption and Imported and Indigenous Consumption:				
(a) Raw Materials Consumption:				
	2010-11	2009-10		
	Qty. Rs.	Qty. Rs.		
Metal Sheets and Plates	4571(MT) 331 NOS.)	302,841,494	4372 MT.) 357 NOS.)	193,049,435
Metal Pipes and Tubes	624310 Mtrs.	111,320,266	714753 Mtrs.	91,281,785
Structural Materials	130 MT.) 112 NOS)	18,318,970	159 MT.) -)	9,303,783
Welding Electrodes	52 MT.) 1718819 Nos.)	24,815,405	65 MT.) 1665694 Nos.)	20,378,066
Components		138,864,823		159,485,973
TOTAL		596,160,958		473,499,042
(b) Imported and Indigenous Raw Materials Consumption:				
	2010-11	2009-10		
	Rs. Percentage	Rs. Percentage		
Imported	42,515,802	7.13%	10,247,123	2.16%
Indigenous	553,645,156	92.87%	463,251,919	97.84%
TOTAL	596,160,958	100.00%	473,499,042	100.00%

The Anup Engineering Limited

5. Licensed and Installed Capacity, Production, Stocks and Turnover:

(a) Licensed and Installed Capacity, Production :

CLASS OF GOODS	LICENSED CAPACITY		*INSTALLED CAPACITY		PRODUCTION (INCL.LABOUR JOBS)	
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010
Chemical and Pharmaceutical Machinery	1900 MT.	1900 MT.	1900 MT.	1900 MT.	5363 MT.	5229 MT.
Industrial Centrifuges	100 Nos.	100 Nos.	100 Nos.	100 Nos.	14 Nos.	8 Nos.
**Dairy Machinery and Equipments	Rs.125 Lacs	Rs.125 Lacs				
Expansion Joints and Bellows	130 MT.	130 MT.	130 MT.	130 MT.	0 MT.	0 MT.
**Soda Ash Plant Equipments and Components	Rs.100 Lacs	Rs.100 Lacs				
Textile Machinery (including accessories)	25 Nos.	25 Nos.				

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

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

(b) Stocks and Turnover:

CLASS OF GOODS	STOCKS AT COMMENCEMENT		STOCKS AT CLOSE		TURNOVER		
	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.	
Chemical and Pharmaceutical Machinery							
	2010-2011	10	2,604,250	10	2,604,250	1,677	892,391,699
	2009-2010	100	6,835,948	10	2,604,250	2,226	958,295,058
Industrial Centrifuges							
	2010-2011	2	1,794,962	2	1,794,962	14	69,934,612
	2009-2010	1	399,273	2	1,794,962	8	25,469,886
*Dairy Machinery and Equipments							
	2010-2011	-	-	-	-	-	-
	2009-2010	-	-	-	-	-	-
Expansion Joints and Bellows							
	2010-2011	-	-	-	-	-	-
	2009-2010	1	6,944	-	-	1	10,283
*Soda Ash Plant, Equipments and Components							
	2010-2011	-	-	-	-	-	-
	2009-2010	-	-	-	-	-	-
Other							
	2010-2011	-	-	-	-	-	26,958,080
	2009-2010	-	-	-	-	-	5,933,826
TOTAL..							
	2010-2011		<u>4,399,212</u>		<u>4,399,212</u>		<u>989,284,391</u>
	2009-2010		<u>7,242,165</u>		<u>4,399,212</u>		<u>989,709,053</u>

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

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

6. Employee Benefits:

(A) Defined Benefit Plans:

Disclosure for defined benefit plans based on actuarial reports as on March 31, 2011.

Expenses recognised for the year ended on March 31, 2011

(included in Schedule 14 to the Profit and Loss Account)

(Rs.)

	Gratuity Funded	
	31-03-2011	31-03-2010
1 Current Service Cost	669,512	588,283
2 Interest Cost	456,217	395,837
3 Expected Return on Plan Assets	(517,046)	(473,165)
4 Employer Contribution (Receipt)	-	-
5 Actuarial Losses / (gains)	(466,567)	(1,030,283)
Expenses Recognised in Profit and Loss Account	142,116	-
Expenses Not Recognised in Profit and Loss Account	-	(519,328)

Net Asset/(Liability) recognised in the Balance Sheet as on 31st Mar, 2011

	Gratuity Funded	
	31-03-2011	31-03-2010
1 Present value of Defined Benefit Obligation	5,800,389	5,667,287
2 Fair Value of Plan Assets	5,800,389	5,911,231
3 Funded Status (Surplus/Deficits)	133,102	987,882
Net Assets / (Liability)	(494,051)	243,944

Reconciliation of Net Assets / (Liability) recognised in the Balance Sheet as on 31st March, 2011

	Gratuity Funded	
	31-03-2011	31-03-2010
1 Net Assets / (Liability) at Beginning of year	(22,232)	319,808
2 Employer Contribution	(613,935)	44,424
Net Assets / (Liability) at the end of the year	(494,051)	243,944

	Gratuity Funded	
	31-03-2011	31-03-2010
Actual Return on Plan Assets	386,190	1,263,266

	Gratuity Funded	
	31-03-2011	31-03-2010
1 Discount Rates	8.05%	8.04%
2 Expected Rate of Return on Plan Asset	9.00%	9.00%
3 Expected Rate of Salary Increase	8.00%	8.00%

Major Category of Plan Assets as a percentage of total plan

	Gratuity Funded	
	31-03-2011	31-03-2010
1 Life Insurance Corporation of India	93%	93%
2 Special Deposit	7%	7%

The Anup Engineering Limited

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

(B) Defined Contribution Plan:

An amount of Rs. 2,746,972/- (Previous year Rs. 2,050,088/-) is recognised as expense and Included in the Schedule 14 "Contribution to Provident and Other Funds" in the Profit and Loss Accounts.

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

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

	2010-2011	2009-2010
	Rs.	Rs.
(a) C.I.F. Value of Imports:		
Raw Materials	40,521,994	5,560,907
Capital Goods	1,531,029	-
Stores & Spares	159,852	931,397
(b) Expenditure in Foreign Currency:		
Membership Fees	776,331	777,697
Computer Software License Fees	283,576	244,803
	<u>1,059,907</u>	<u>1,022,500</u>
(c) Earnings in Foreign Currency:		
F.O.B. Value of Exports	14,745,766	5,199,027

8. Deferred Tax:

	As on 31.03.2010	Charge/ Credit for the year	As on 31.03.2011
	(Rs.)	(Rs.)	(Rs.)
Deferred Tax Liability on account of:			
i. Depreciation	17,906,150	10,528,255	28,434,405
	<u>17,906,150</u>	<u>10,528,255</u>	<u>28,434,405</u>
Deferred Tax Asset on account of:			
i. Expenses allowable for tax purpose when paid	905,884	51,606	957,490
	<u>905,884</u>	<u>51,606</u>	<u>957,490</u>
Net deferred tax Liability	<u>17,000,266</u>	<u>10,476,649</u>	<u>27,476,915</u>

9. Related Party Information:

Name of related party and nature of relationship:

Arvind Limited- Holding Company

Arvind Accel Limited – Fellow Subsidiary Company

Asman Investments Limited – Fellow Subsidiary Company

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

Mr. Rishi Roop Kapoor – Key Management Personnel (From 28.05.2010)

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

Sr. No.	Name of the Party	Relationship	Nature of Transaction	Amount Rs.		Outstanding Balance Rs.	
				2010-2011	2009-2010	2010-2011	2009-2010
1	Arvind Limited	Holding Company	Loan taken	-	-	-	-
			Loan repaid	-	37,562,882	-	-
			Sales	663,785	-	-	-
			Advance Received	-	59,000	415,205 Dr	288,580 Cr
2	Sanjay Lapalikar	CEO	Salary	432,084	4,586,119	-	-
3	Rishi Roop Kapoor	CEO	Salary	3,542,751	-	-	-
4	Arvind Accel Limited	Fellow Subsidiary Company	Debit Note	661,800	5,079,316	82,352 Dr	579,448 Cr
5	Asman Invetments Limited	Fellow Subsidiary Company	Loan Taken	-	-	8,502,509 Cr	8,502,509 Cr

10. Earning Per Share:	31-03-2011	31-03-2010
	Rs.	Rs.
Profit for the year attributable to the Equity Shareholders	18,103,324	105,415,144
Basic/Weighted average number of Equity Shares outstanding during the year	340,000	340,000
Nominal Value of Equity Share	Rs.100/-	Rs.100/-
Basic and Diluted earning per Share	Rs. 53.25	Rs. 310.04

11. Dues to Micro, Small and Medium Enterprises :

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

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

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

12. The Company has only one business segment – 'Engineering'

13. Significant Accounting Policies followed by the Company are as stated in the Statement annexed to this Schedule as Annexure-I.

14. Previous year's figures have been regrouped and recast wherever necessary.

Signatures to Schedules '1' to '18'

As per our attached report of even date.

For and on behalf of the Board of Directors

For Sorab S. Engineer & Co.

Firm Registration No. 110417W

Chartered Accountants

CA Chokshi Shreyas B.

Partner.

(Membership No. 100892)

Ahmedabad.

11th May, 2011

SAMVEG A. LALBHAI

CHAIRMAN

SHREYAS C. SHETH

ARUN P. SHETH

DIRECTORS

Ahmedabad.

11th May, 2011

The Anup Engineering Limited

ANNEXURE-I REFERRED TO IN NOTE 13 IN SCHEDULE 18 TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011.

Statement on Significant Accounting Policies

1. System of Accounting :

- i) The Company, generally, follows the mercantile system of accounting and recognises income and expenditure on an accrual basis, except those with significant uncertainties.
- ii) Financial statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money.

2. Fixed Assets and Depreciation :

(A) Fixed Assets

Fixed Assets are carried at cost of acquisition or construction less accumulated depreciation and amortisation.

(B) Depreciation and Amortisation :

(a) Lease hold Land:

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

(b) Tangible Assets :

- (i) Depreciation is provided on 'Straight line basis in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956.
- (ii) Depreciation on additions to assets up to 31st March, 1988, is being provided on 'Straight line basis' pursuant to the Circular No.1/1/86-CLV No.15(50)84 CL VI dated 21.5.1986 issued by the Department of Company Affairs, at the rates corresponding to the rates applicable under the Income-tax Rules as in force at the time of acquisition/installation.
- (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.

(c) Intangible Assets :

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

3. Revenue Recognition:

(a) Sales:

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

Fabrication Charges / Job Work Charges :

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

(b) Late Delivery Charges:

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

4. Investments :

Investments are valued at cost of acquisition.

5. Inventories :

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

6. Exchange Fluctuations :

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

7. Employee Benefits:**a) Defined Contribution Plan;**

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

b) Defined Benefit Plan:

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

c) Leave Entitlement:

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

8. Taxation:

Income-tax expense Comprises current tax and Deferred tax charges/credit.

Provision for current tax is made on the assessable income as the tax rate applicable to the relevant assessment year.

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

The Deferred tax Asset and Deferred tax Liability is calculated by applying tax rates and tax laws that have been enacted or substantively enacted by the Balance sheet date. Deferred tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws; are recognized only if there is virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date the carrying amount of Deferred tax Assets is being reviewed to reassure realization.

The Anup Engineering Limited

Form of Proxy

THE ANUP ENGINEERING LIMITED

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

I/We _____

of _____ in the District of _____

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

of _____ in the District of _____

or failing him Shri _____

of _____ in the District of _____

or failing him Shri _____

of _____ in the District of _____

as my/our proxy to vote for me/us on me/our behalf at the Annual General Meeting of the Company to be held on 15th July, 2011 and at any adjournment thereof.

Signed this _____ day of _____ 2008

Membership No. :

No. of Shares held :

Signature _____

Affix
Re.1
Revenue
Stamp

Note : (1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. (2) A proxy need not be a member. (3) The form thus completed should be deposited at the Registered Office of the Company, at Behind 66 KV Electric Sub Station, Odhav Road, Ahmedabad-382 415 by 9.30 A.M. on or before 12th July, 2011.

The Anup Engineering Limited

NOTICE

NOTICE is hereby given that the 48th Annual General Meeting of the Members of the Company will be held on **Friday, the 15th July, 2011** at **9.30 a.m.** at Ahmedabad Textile Mill's Association Hall, Ashram Road, Ahmedabad -380 009, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 and Profit & Loss Account and Cash-Flow statement for the year ended on that date and the report of the Board of Directors and Auditors thereon.
2. To declare dividend to the share holders.
3. To appoint a Director in place of **Shri Samveg A. Lalbhai**, who retires by rotation under Article 129 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
4. To appoint a Director in place of **Shri Pankaj S. Sheth**, who retires by rotation under Article 129 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

Registered Office:

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

By Order of the Board
Samveg A. Lalbhai
Chairman
11th May, 2011

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER.
2. Proxies in order to be effective must be deposited at the Registered Office of the Company not less than Forty eight hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books will be closed from **July 08, 2011** to **July 15, 2011** (both days inclusive) for the purpose of ascertaining the validity of transfer deeds.
4. Payment of dividend as recommended by the Directors, if approved at the Annual General Meeting, will be made payable on or after July 15, 2011.
5. Printed copies of Balance Sheet, Profit and Loss Account, the Director's Report, Auditor's Report and every other document required by law to be annexed or attached to the Balance Sheet for the financial year ending 31st March, 2011 are enclosed.
6. Members are requested to bring their copies of the Annual Report to the meeting.
7. Copies of all documents referred to in the Notice and copy of the Memorandum and Articles of Association of the Company are available for inspection to the Members at the Registered Office of the Company between 3.00 p.m. to 5.00 p.m. on all working days.
8. At the ensuing Annual General Meeting Shri Pankaj S. Sheth and Shri Samveg A Lalbhai retire by rotation and being eligible offer themselves for reappointment. The information or details required to be furnished under the Listing Agreement pertaining to a Director seeking reappointment.

Particulars Information of a Director seeking re-appointment

Name	Mr. Pankaj S. Sheth
Date of Birth	25.11.1941
Brief Resume	M.S. Operation in Research from University of Pennsylvania, Philadelphia, Pa.,U.S.A. – 1970.
Directorship in other Companies	Private Limited Companies: Ashish products Pvt. Ltd.,
Position in Committees of other Companies	Nil
Number of shares held in the Company	Nil

Name	Mr. Samveg A. Lalbhai
Date of Birth	04.06.1961
Brief Resume	Mr. Samveg A. Lalbhai, is a Director of the company since 18.10.1995 and Chairman of the Company since 13 th June, 1997. He is a Managing Director of Atul Limited. He is past President of Ahmedabad Textile Mills Association and Gujarat Chamber of Commerce and Industry.
Directorship in other Companies	Public Limited Companies : Arvind Products Limited Atul Limited – Managing Director Arvind Worldwide In. USA Arvind Worldwide (M) Inc., Arvind Overseas (M) Limited Bengal Tea & Fabrics Ltd. Private Limited Companies : Arvind Farms Pvt. Ltd. Saumya Farms & Organic Prod. Pvt. Ltd. Sneh Farms Private Limited National Design Business Incubator
Position in Committees of other Companies	Chairman of Committees: Arvind Products – Committee of Directors – Shareholders Grievance Committee
Number of shares held in the Company	382

Registered Office:
Behind 66 KV Electric Sub Station,
Odhav Road,
Ahmedabad -382 415

By Order of the Board
Samveg A. Lalbhai
Chairman

11th May, 2011

The Anup Engineering Limited

INFORMATION REFERRED TO IN NOTE 14 IN SCHEDULE 18 TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

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

I. Registration Details :

Registration No.

001170

State Code :

04

Balance Sheet Date :

31.03.2011

II. Capital Raised during the Year

(Rs.in Lacs)

Public Issue

NIL

Right Issue

NIL

Bonus Issue

NIL

Private Placement

NIL

III. Position of Mobilisation and Deployment of Funds

Total Liabilities

6312.93

Total Assets

6312.93

Sources of Funds:

Paid-up Capital

340.00

Reserve & Surplus

2935.50

Secured Loans

2677.64

Unsecured Loans

85.02

Deferred Tax Liabilities (Net)

274.77

Application of Funds:

Net fixed Assets

2532.06

Investments

-

Net Current Assets

3780.87

Misc.Expenditure

-

Accumulated Losses

-

IV. Performance of Company

Turnover (Incl.other income)

9191.75

Total Expenditure

8905.95

Profit before Tax

285.80

Profit after Tax

181.03

Earning Per Share in Rs.

53.25

Dividend Rate %

10%

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

Item Code No.(ITC Code)

841989.01

Product Description

Pressure Vessels, Reactors

Item Code No.(ITC Code)

842119.02 & 842119.07

Product Description

Centrifuges

Item Code No.(ITC Code)

731100.09

Product Description

Chlorine Containers