

THE ANUP ENGINEERING LIMITED

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:

Anil Starch's Premises,
Anil Road,
Ahmedabad - 380 025

WORKS :

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

AUDITORS :

MESSERS DALAL & SHAH
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.

The Anup Engineering Limited

NOTICE

NOTICE is hereby given that the 39th Annual General Meeting of the Members of the Company will be held on Monday the 16th September, 2002 at 10-00 a.m. at Ahmedabad Textile Mill's Association Hall, Ashram Road, Ahmedabad - 380 009 to transact the following business :

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the audited Balance Sheet as at 31st March, 2002 with the documents required by law to be annexed thereto.
2. 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.
3. To appoint a Director in place of **Shri Pankaj Sudhaker Sheth**, 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 Auditors and to fix their remuneration.

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.

Registered Office :

Anil Starch's Premises,
Anil Road,
Ahmedabad-380 025.

By Order of the Board,
SAMVEG A. LALBHAI
CHAIRMAN

29th June, 2002

NOTES :

1. Printed copies of Annual Report for 2001-2002 is enclosed herewith.
2. The Register of Members and Share Transfer Books will be closed from Friday the 16th August, 2002 to Wednesday 21th August, 2002 (both days inclusive) for the purpose of ascertaining the validity of transfers deeds.
3. Members are requested to bring their copies of the Annual Report to the meeting.

The Anup Engineering Limited

DIRECTORS' REPORT

Your Directors submit herewith the 39th Annual Report with the audited statements of Accounts for the year ended 31st March, 2002

for with the audited statements of Accounts for the

1. FINANCIAL RESULTS :

	2001-2002 (Rs.in Lacs)	2000-2001 (Rs.in Lacs)
Loss before Interest, Depreciation & Taxation	(83.95)	(219.32)
Less : Interest	50.50	62.16
Depreciation	17.18	19.01
Taxation	-	-
	67.68	81.17
Loss for the year	(151.63)	(300.49)
Expenses in respect of Previous Year	-	0.03
Excess Depreciation Written Back	1.32	-
Income Tax Refund	1.65	-
Balance carried of the last year	(183.39)	117.13
Balance carried to next year	(332.05)	(183.39)

In view of the loss, your Directors regret their inability to recommend any dividend for the year ended on 31-3-2002.

2. OPERATIONS:

Continued recession in the country and world over has once again contributed to an unsatisfactory performance of the Company for the 3rd year in succession. Your Company strived very hard to sustain its performance, but communal disturbances in the State and more particularly in the city disturbed the despatch schedule during the month of March, 2002 and hence, Company could not improve the turn-over which hitherto would have been higher than the last year.

Still the company could manage to reduce the losses from Rs. 300.52 Lacs to Rs. 148.66 Lacs during the year. Under the circumstances, the performance of the company may be assessed.

During the year under report 278 labours and 34 staff members opted for voluntary retirement under the Voluntary Retirement Scheme.

3. PROSPECTS:

After continuous recessionary trend for more than three years, signs of revival, though not confirmed, appears on the horizon. Your Company is quite hopeful of improving its performance during the current year.

Your Directors are putting all out efforts to bring the Company out of 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.

There is no employee drawing salary of Rs.1,00,000/- per month or Rs.12.00 Lacs 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.

The Anup Engineering Limited

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 except Accounting Standard 15 "Accounting of Retirement benefit" with regard to amortisation of additional gratuity contributions in respect of outgoing employees and with regard to leave encashment liability, non-applicability of said standard as detailed in Note 9 and 18 respectively in Schedule 18 to the account.
- ii) that such accounting policies selected and applied are consistent and the judgements 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. REFERENCE TO BIFR :

As reported last year, the reference to BIFR has been made as per the provisions of Section 15 of the Sick Industrial Companies (Special Provision) Act, 1985.

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUT GO:

A Statement in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto & forms part of the Report.

8. INSURANCE :

The Company's Building, Machineries and Stocks except certain risks which are borne by the Company are insured at cost against fire, earth-quake, riot and malicious damage risks.

9. DIRECTORS :

Shri V.R. Shah, Director of the Company expired on 2-4-2002. Your Directors put on record the valuable services rendered by Late Shri V. R Shah durign the tenure of his office.

Sharvashri Samveg A. Lalbhai and Shri Pankaj Sudhaker Sheth retire by rotation and beign eligible, offer themselves for re-election.

10. AUDITORS :

You are requested to appoint the Auditors and fix their remuneration.

The specific notes forming part of the accounts referred to in the Report of the Auditors are self explanatory and do not call for any further explanation under Section 217(3) of the Companies Act, 1956.

Ahmedabad.

Date : 29th June, 2002

By Order of the Board,

SAMVEG A. LALBHAI
CHAIRMAN

The Anup Engineering Limited

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

A. CONSERVATION OF ENERGY :

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

FORM A

A. POWER AND FUEL CONSUMPTION :

	<u>2001-2002</u>	<u>2000-2001</u>
1. (a) Electricity :		
Units	5,12,850	6,39,330
Total Amount (Rs.)	30,66,130	34,54,952
Rate/Unit (Rs.)	5.98	5.40
(b) Own Generation :		
(Through Diesel Generator)		
Units	22,692	15,744
Total Amount (Rs.)	1,51,910	1,01,712
Rate/Unit (Rs.)	6.69	6.46
2 Furnace Oil:		
Qty (Litres)	67,000	66,890
Cost	6,82,912	7,27,039
Rate per (Litres)	10.19	10.86

FORM B

B. TECHNOLOGY ABSORPTION :

Research & Development :

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

The Company has a Research & Development Laboratory recognised by the Department of Science and Technology. It is engaged in process improvement, product improvement, development of analytical methods and technical services for development of improved controls.

(b) Benefits derived as a result of R&D:

As a result of Company's Research & Development Laboratory, Company is benefited by process and product improvement.

(c) Future Plan of action :

The Company will continue to lay emphasis on the main areas of R&D set out under para (a) above.

(d) R&D Expenditure :

	<u>2001-2002</u> <u>(Rs.in Lacs)</u>	<u>2000-2001</u> <u>(Rs.in Lacs)</u>
Capital	-	-
Recurring	7.29	6.19
Total	7.29	6.19
Total R&D Expenditure as % of Total Turn Over	0.90	0.68

Technology absorption, adaptation and innovation :

Company had imported technology for the manufacture of Industrial Centrifuges from M/s.Krauss Maffei, West Germany and through continuous interaction with R&D, Company has been able to fully absorb and adopt this technology.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

The information is given in Notes forming part of the accounts. Members are requested to refer the said notes.

The Anup Engineering Limited

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the attached Balance Sheet of The Anup Engineering Limited as at 31st March, 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion, proper Books of Account as required by law have been kept by the Company so far as appears from our examination of the Books of the Company.
3. The Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the Books of Account of the Company;
4. In our opinion, the Profit and Loss Account and Balance Sheet read with Note No.9 relating to amortisation of additional Gratuity Contributions in respect of outgoing employees and Note No. 18 regarding non-applicability of Standard to leave encashment liability required by the Accounting Standard AS-15 "Accounting for Retirement Benefits" comply with the Accounting standard referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
5. On the basis of the written representations received from Directors as on 31st March, 2002 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2002 from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required.
7. We draw reference to :
 - (i) Note No. 7 relating to Capitalisation of Interest and finance charges upto 31st December, 1985, for entire contracted period of deferred credits under I.D.B.I. Bills Rediscounting Scheme availed for the purchase of Plant and Machinery which has resulted into the charge to the Profit and Loss Account by way of Depreciation being higher by Rs.78,280/- and consequently the loss for the year is higher by Rs.78,280/-. The aggregate increase in the gross value of Fixed Assets is Rs. 14,83,181/-; and Reserves and Surplus is Rs. 33,351/-. The aforesaid Capitalisation of Interest on post period of installed and commissioned cost of Assets is not in accordance with the accounting practice recommended by the Institute of Chartered Accountants of India.

The Anup Engineering Limited

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| (ii) | Note No. 9 | relating to Amortisation of additional gratuity contribution in respect of outgoing employees as detailed in the note. |
| (iii) | Note No.10 | relating to basis of providing Depreciation which is not in conformity with accounting practice recommended by the Institute of Chartered Accountants of India and consequently resulted in higher depreciation by Rs. 3,91,026/- and higher aggregate cost of Fixed Assets by Rs. 2,37,991/-. |
| (iv) | Note No. 18 | regarding non-applicability of Accounting Standard AS-15 "Accounting for Retirement Benefits" - with regard to Leave encashment Liability, issued by the Institute of Chartered Accountants of India. |

We further report that, the aggregate effect of paragraphs (i) and (iii) above would have resulted in the loss for the year being lower by Rs. 4,69,306/-.

Subject to what is stated in paragraphs (i), (ii), (iii), and (iv) above, the Accounts present 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, 2002
and
- (b) In the case of the Profit and Loss Account of the loss for the year ended on that date.

As required by the Manufacturing and Other Companies(Auditors' Report) Order, 1988 and in terms of the information and explanations given to us and on the basis of such checks as we considered appropriate we further state that :

- i. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. As explained to us, all the Assets have been physically verified by the Management at reasonable intervals during the year. The discrepancies noticed on physical verification were not serious and have been properly dealt with in the Books of Account.
- ii. None of the Fixed Assets have been revalued during the year.
- iii.
 - a) The Stocks of Finished Goods, Stores, Spare parts, Raw Materials and Components have been physically verified by the Management at reasonable intervals during the year and/or at the close of the year;
 - b) As explained to us, the procedures of physical verification of the Stocks referred to in (a) above followed by the Management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business;
 - c) According to the records produced to us for our verification, there were no material discrepancies noticed on physical verification of Stocks referred to in (a) above, as compared to book records and the same have been properly dealt with in the Books of Account;

The Anup Engineering Limited

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- d) We have examined and verified the Stock verification records of the Company and also wherever necessary, we have physically verified the Stocks, taking assistance from the technical Staff of the Company. On the basis of such examination and verification and also considering the accounting method adopted for accounting of customs duty referred to in Note No.8 to the Accounts, we are satisfied that the valuation of Stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- iv. The rate of interest and other terms and conditions on which unsecured loans have been obtained from the Companies listed in the Register maintained under Section 301 of the Companies Act, 1956, are, in our opinion, not prima facie prejudicial to the interest of the Company. The Company has not taken any loans secured or unsecured from the firms and other parties listed in the said Register and as explained to us there is no Company under the same management within the meaning of Section 370(1-B) of the Companies Act, 1956.
- v. The Company has not granted any loan secured or unsecured to Companies, Firms or other parties listed in Register maintained under Section 301 of the Companies Act, 1956. As explained to us there is no Company under the same Management within the meaning of Section 370 (1-B) of the Companies Act, 1956.
- vi. Loans or advances in the nature of loans have been given to employees only, the loans being free of interest. The recovery of principal amount is regular as stipulated.
- vii. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of Stores, Raw Materials including Components, Plant & Machinery, Equipment and other Assets and also for the sale of goods;
- viii. According to the information and explanations given to us, the transactions of sale of goods and materials made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs.50,000 or more in respect of each party, have been made at prices which are reasonable having regard to prevailing market prices for such goods and materials or prices at which transactions for similar goods have been made with other parties. Company has not entered in any Purchase transactions during the year.
- ix. As explained to us, the Company has a regular procedure for determination of unserviceable or damaged Stores, Raw Materials, Components or Finished Goods and necessary provisions for the loss arising on the items so determined have been made in the books of account of the Company.
- x. In our opinion, the Company has complied with the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted by it from the public;
- xi. In our opinion, reasonable records have been maintained by the Company for sale and disposal of realisable Manufacturing Scrap. The Company has no by-products.
- xii. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business;
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The Anup Engineering Limited

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- xiii. The Central Government has not prescribed maintenance of the Cost Record under Section 209(1)(d) of the Companies Act, 1956, for any of the product of the Company;
- xiv. According to the records of the Company, the Provident Fund and Employees' State Insurance dues, during the year have been regularly deposited with the appropriate authorities.
- xv. According to the records of the Company and subject to the method of accounting consistently followed by it with regard to accounting of Customs duty only at the time of removal and/or clearance of the goods as detailed in Note No. 8 to the accounts, no undisputed amounts payable in respect of Income-tax, Sales Tax, Customs Duty and Excise Duty were outstanding as at the last date of financial year, for a period of more than six months from the date they became payable.
- xvi. On the basis of (i) the examination of Books of Account, (ii) the Vouchers produced to us for our verification, (iii) the explanations given and representation made to us on our inquiries and (iv) the check and control relating to authorising the expenditure on the basis of contractual obligations to the employees, accepted business practices having regard to the Company's needs and exigencies, we have not come across any expenses charged to revenue which, in our opinion, and judgement and to the best of our knowledge and belief could be regarded as personal expenses;
- xvii. The Company is a sick industrial company within the meaning of Clause (0) of subsection (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 and reference to the Board for Industrial and Financial Reconstruction is made.

Ahmedabad.
Date : 29th June, 2002

For and on behalf of
Dalal & Shah
Chartered Accountants

B.R.SHAH
Partner

The Anup Engineering Limited

BALANCE SHEET AS AT 31ST MARCH, 2002

	Schedule	Rs.	31st March, 2002 Rs.	31st March, 2001 Rs.
I. SOURCES OF FUNDS:				
(1) Shareholders' Funds:				
(a) Capital	1	14,000,000		14,000,000
(b) Reserves & Surplus	2	125,664,434		127,323,625
			139,664,434	141,323,625
(2) Loan Funds:				
(a) Secured Loans	3	23,920,279		28,200,581
(b) Unsecured Loans	4	67,276,064		27,569,391
			91,196,343	55,769,972
TOTAL			230,860,777	197,093,597
II. APPLICATION OF FUNDS:				
(1) Fixed Assets:				
(a) Gross Block		204,170,522		205,374,203
(b) Less : Depreciation		48,333,918		45,977,864
(c) Net Block	5		155,836,604	159,396,339
(2) Investments	6		45,000	45,000
(3) Current assets, Loans and Advances :	7			
(a) Inventories		40,742,227		35,271,936
(b) Sundry Debtors		8,848,565		15,837,381
(c) Cash and Bank Balances		3,005,608		2,423,195
(d) Loans and Advances		3,603,463		3,893,536
		56,199,863		57,426,048
Less : Current Liabilities and Provisions :	8			
(a) Liabilities		47,761,925		47,146,529
(b) Provisions		0		0
		47,761,925		47,146,529
Net Current Assets			8,437,938	10,279,519
(4) (a) Miscellaneous Expenditure: (To the extent not written off or adjusted)	9	33,536,203		9,234,117
(b) Profit and Loss Account :				
Debit balance as per Annexured Account		33,205,032		18,338,622
Less : General Reserve, Per Contra		200,000		200,000
		33,005,032		18,138,622
TOTAL			66,541,235	27,372,739
Notes forming part of the Accounts			230,860,777	197,093,597

As per our attached report of even date.
For and on behalf of
DALAL & SHAH
Chartered Accountants
B.R.SHAH
Partner.
Ahmedabad.
29TH June, 2002

For and on behalf of Board of Directors
SAMVEG A. LALBHAI
CHAIRMAN
ARUN P. SHETH
SHREYAS C. SHETH
DIRECTORS
Ahmedabad.
29TH June, 2002

THE ANUP ENGINEERING LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2002

		Schedule	2001-2002 Rs.	2000-2001 Rs.
INCOME:				
Sales			74,220,564	80,046,212
Fabrication Charges			6,057,801	10,403,977
Other Income	10		2,091,024	2,505,023
			<u>82,369,389</u>	<u>92,955,212</u>
Increase/Decrease in Stocks	11		7,536,680	-192,947
			<u>89,906,069</u>	<u>92,762,265</u>
EXPENDITURE:				
Raw Materials Consumed	12		44,607,749	49,045,067
Manufacturing Expenses	13		14,041,405	14,360,710
Employees' Emoluments	14		16,634,204	24,264,157
Interest and Finance Charges	15		5,050,377	6,216,021
Deferred Revenue Expenditure Written Off			5,364,929	4,060,546
Excise Duty			10,313,685	12,435,947
Other	16		7,339,352	10,527,361
Depreciation & Other Write Offs	17	3,376,858		3,560,259
Less : Transferred from Revaluation Reserve		<u>1,659,191</u>		<u>1,659,191</u>
			<u>1,717,667</u>	<u>1,901,068</u>
			<u>105,069,368</u>	<u>122,810,877</u>
Loss before Taxation and Provision for doubtful debts			-15,163,299	-30,048,612
Provision for Taxation			0	0
Loss for the year before provision for doubtful debts			<u>-15,163,299</u>	<u>-30,048,612</u>
Excess Depreciation Written Back			131,889	0
Income Tax Refund			165,000	0
Expenses in respect of Previous Years			0	-3,043
			<u>-14,866,410</u>	<u>-30,051,655</u>
As per last Account			<u>-18,338,622</u>	<u>11,713,033</u>
Balance carried to Balance Sheet			<u>-33,205,032</u>	<u>-18,338,622</u>
Notes forming part of the Accounts	18			
(Basic/diluted earning per share, See No. 16)				

As per our attached report of even date.

For and on behalf of

DALAL & SHAH

Chartered Accountants

B.R.SHAH

Partner.

Ahmedabad.

29TH June, 2002

For and on behalf of Board of Directors

SAMVEG A. LALBHAI

CHAIRMAN

ARUN P. SHETH

SHREYAS C. SHETH

DIRECTORS

Ahmedabad.

29TH June, 2002

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, 2002

		31st March 2002	31st March 2001
	Rs.	Rs.	Rs.
SCHEDULE '1' : SHARE CAPITAL			
AUTHORISED:			
2,50,000 Shares of Rs.100/- each		<u>25,000,000</u>	<u>25,000,000</u>
ISSUED:			
1,40,000 Equity Shares of Rs.100/-each		<u>14,000,000</u>	<u>14,000,000</u>
SUBSCRIBED:			
5,000 Equity Shares of Rs.100/- each allotted to Shareholders of Hind Laboratories Private Ltd. as fully paid without payment being received in cash, in terms of amalgamation scheme sanctioned by Gujarat High Court, as per order dated 20/07/1964		500,000	500,000
		250,000	250,000
2,500 Equity 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			
1,32,500 Equity Shares of Rs.100/- each fully paid (including 9,992 Shares issued as fully paid Bonus Shares by way of Capitalisation of reserve)		<u>13,250,000</u>	<u>13,250,000</u>
TOTAL		<u>14,000,000</u>	<u>14,000,000</u>
SCHEDULE '2' : RESERVES & SURPLUS:			
CAPITAL RESERVE		1,075	1,075
REVALUATION RESERVE :			
As per last Account	127,320,630		128,979,821
Less : Transferred to Profit & Loss Account	<u>1,659,191</u>		<u>1,659,191</u>
		125,661,439	127,320,630
SECURITY PREMIUM ACCOUNT		1,920	1,920
GENERAL RESERVE			
As per last Account	200,000		200,000
Less : Deducted from Profit and Loss Account, Per Contra	<u>200,000</u>		<u>200,000</u>
		0	0
TOTAL		<u>125,664,434</u>	<u>127,323,625</u>

	Rs.	31st March 2002 Rs.	31st March 2001 Rs.
SCHEDULE '3' : SECURED LOANS:			
From a Bank, term loan, secured by first charge by way of equitable mortgage of entire fixed assets comprising of Land, Buildings, Machinery and other miscellaneous assets and extension of existing charge by way of hypothecation of Stocks and Book-debts created in favour of Bankers for working capital facilities		5,161,007	6,997,975
From a Bank, against hypothecation of Raw Materials, Finished Goods, Work-in-progress, Book Debts etc., and against second charge on Fixed Assets of the Company			
Cash Credit	18,759,272		18,635,721
Drawee Bills Discounting	0		1,092,546
Book Debts	0		1,474,339
		18,759,272	21,202,606
TOTAL		23,920,279	28,200,581
SCHEDULE '4' : UNSECURED LOANS:			
From Joint Stock Companies		67,276,064	27,565,391
Fixed Deposits :			
From Public		0	4,000
TOTAL		67,276,064	27,569,391

The Anup Engineering Limited

SCHEDULE '5' : FIXED ASSETS :

FIXED ASSETS	GROSS BLOCK (a)			DEPRECIATION				NET BLCOK		
	As on 31.03.2001 Rs.	Additions Rs.	Deduc- ions Rs.	As on 31.03.2002 Rs.	As on 31.03.2001 Rs.	Adjust- ment Rs.	For the Year Rs.	As on 31.03.2002 Rs.	As on 31.03.2002 Rs.	As on 31.03.2001 Rs.
Land, Leasehold	117,714,990	0	461,670	117,253,320	0	0	0	0	117,253,320	117,714,990
Buildings	41,286,296	0	0	41,286,296	8,640,215	0	1,399,180	10,039,395	31,246,901	32,646,081
Machinery	40,911,626	0	0	40,911,626	33,186,159	131,889	1,314,756	34,369,026	6,542,600	7,725,467
Electric Installations	1,768,004	0	0	1,768,004	1,646,118	0	73,193	1,719,311	48,693	121,886
Tube Well	119,104	0	0	119,104	45,778	0	1,951	47,729	71,375	73,326
Furniture & Deadstock	2,143,370	14,560	0	2,157,930	1,561,477	0	81,841	1,643,318	514,612	581,893
Drawings	100,000	0	0	100,000	100,000	0	0	100,000	0	0
Vehicles	1,330,813	0	756,571	574,242	798,117	427,245	44,267	415,139	159,103	532,696
Total	Rs. 205,374,203	14,560	1,218,241	204,170,522	45,977,864	559,134	2,915,188	48,333,918	155,836,604	159,396,339
Previous Year's Total	Rs. 206,157,851	78,337	861,985	205,374,203	43,043,035	163,760	3,098,589	45,977,864	159,396,339	

Notes :

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

	Rs.	31st March 2002 Rs.	31st March 2001 Rs.
SCHEDULE '6' : INVESTMENTS; AT COST:			
In fully paid Shares, Other than trade, unquoted:			
1,100	Shares of Rs.25/- each in Nutan Nagrik Sahkari Bank Ltd.	27,500	27,500
240	Shares of Rs.50/- each in Ahmedabad Mercantile Co-operative Bank Ltd.	12,000	12,000
55	Shares of Rs.100/- each in The Vijay Co-operative Bank Ltd.	5,500	5,500
TOTAL		45,000	45,000
SCHEDULE '7' : CURRENT ASSETS, LOANS AND ADVANCES :			
(a) Inventories:			
Stores & Spares, at cost	2,828,201		3,000,493
Obsolete & Unserviceable Stores & Spares, at estimated realisable value	6,943		6,943
		2,835,144	3,007,436
Stock-in-Trade : at cost or net realisable value whichever is lower (unless otherwise stated)			
Raw Materials	10,503,424		12,397,521
Obsolete & Unserviceable Raw materials, at estimated realisable value	24,548		24,548
	10,527,972		12,422,069
Work-in-Progress	20,272,794		15,183,382
Finished Goods	6,010,230		3,562,962
		36,810,996	31,168,413
Goods in Bonded Warehouse, Cost to-date		1,096,087	1,096,087
As per Inventory taken, certified and Valued by the Management		40,742,227	35,271,936
Carried over		40,742,227	35,271,936

The Anup Engineering Limited

	Rs.	31st March 2002 Rs.	31st March 2001 Rs.
SCHEDULE '7': CURRENT ASSETS, LOANS AND ADVANCES :			
Brought over		40,742,227	35,271,936
(b) Sundry Debtors, Unsecured:			
(i) Outstanding for more than six months:			
Good	593,472		207,872
Doubtful	5,455,955		5,455,955
Less: Provision	<u>281,758</u>		<u>281,758</u>
	5,174,197		5,174,197
	5,767,669		5,382,069
(ii) Other, Good	<u>3,080,896</u>		<u>10,455,312</u>
		<u>8,848,565</u>	<u>15,837,381</u>
(c) Cash and Bank Balances :			
Cash on hand	<u>63,952</u>		<u>87,605</u>
Bank Balances:			
With Scheduled Banks :			
In Current Account	836,836		407,046
In Fixed Deposit :			
Deposit receipt endorsed in favour of Bank for			
Letter of Credit & Bank Guarantee facility	2,012,753		1,859,768
Accrued Interest on above	<u>92,067</u>		<u>68,776</u>
	<u>2,941,656</u>		<u>2,335,590</u>
		3,005,608	2,423,195
(d) Loans and Advances, Unsecured, Good:			
Advances recoverable in cash or in kind			
or for value to be received	1,833,917		2,510,831
Balance with Customs and			
Collectorate of Central Excise	1,442,822		1,054,609
Tax paid in Advance, less provision	<u>326,724</u>		<u>328,096</u>
		<u>3,603,463</u>	<u>3,893,536</u>
TOTAL		<u><u>56,199,863</u></u>	<u><u>57,426,048</u></u>

		31st March 2002 Rs.	31st March 2001 Rs.
SCHEDULE '8' : CURRENT LIABILITIES AND PROVISIONS :			
(a) Liabilities :			
Sundry Creditors :			
(i) Due to Small Scale Industrial Undertakings (See Note 16)	1,717,450		1,328,861
(ii) Others	<u>24,325,533</u>		<u>23,073,206</u>
		26,042,983	24,402,067
Provisions		7,906,229	8,392,943
Advances from customer		13,797,527	14,336,321
Unclaimed Dividends		15,186	15,198
TOTAL		<u>47,761,925</u>	<u>47,146,529</u>
SCHEDULE '9' : MISCELLANEOUS EXPENDITURE: (To the extent not written off or adjusted)			
Deferred Revenue Expenditure			
Payment under Voluntary Retirement Scheme		21,932,374	9,234,117
Payment of Staff Gratuity under V.R.S. (See Note 9)		11,603,829	0
TOTAL		<u>33,536,203</u>	<u>9,234,117</u>
		2001-2002 Rs.	2000-2001 Rs.
SCHEDULE '10' : OTHER INCOME:			
Dividend		8,295	7,470
Income from Units of Unit Trust of India		609	9,211
Sales Tax Refund		1,288,487	1,235,121
Miscellaneous Income		463,484	539,676
Surplus on Sale of Fixed Assets		0	271
Sundry Credit Balances appropriated		330,149	355,519
Provisions no longer required		0	357,755
TOTAL		<u>2,091,024</u>	<u>2,505,023</u>

The Anup Engineering Limited

	Rs.	2001 - 2002 Rs.	2000-2001 Rs.
SCHEDULE '11' : INCREASE/DECREASE IN STOCKS:			
Stocks at Close:			
Work-in-Progress	20,272,794		15,183,382
Finished Goods	<u>6,010,230</u>		<u>3,562,962</u>
		26,283,024	<u>18,746,344</u>
Less : Stocks at Commencement:			
Work-in-Progress	15,183,382		16,134,657
Finished Goods	<u>3,562,962</u>		<u>2,804,634</u>
		18,746,344	<u>18,939,291</u>
Decrease/Increase	TOTAL	<u>7,536,680</u>	<u>-192,947</u>
SCHEDULE '12' : MATERIALS:			
Raw Materials Consumed:			
Stocks at Commencement	12,422,069		14,198,719
Purchases	<u>43,917,852</u>		<u>47,566,473</u>
		56,339,921	61,765,192
Less : Sales		<u>1,204,200</u>	<u>298,056</u>
		55,135,721	61,467,136
Less : Stocks at Close		<u>10,527,972</u>	<u>12,422,069</u>
TOTAL		<u>44,607,749</u>	<u>49,045,067</u>
SCHEDULE '13' : MANUFACTURING EXPENSES:			
Stores Consumed		3,505,121	3,736,956
Power & Fuel		3,900,952	4,283,703
Job Work Charges		5,753,781	5,277,956
Building Repairs		11,489	73,327
Machinery Repairs		870,062	988,768
TOTAL		<u>14,041,405</u>	<u>14,360,710</u>
SCHEDULE '14' : EMPLOYEES' EMOLUMENTS:			
Salaries, Wages, Bonus, Gratuity, etc.		13,497,955	19,722,292
Contribution to Provident & Other Funds		2,720,854	3,626,388
Welfare Expenses		415,395	915,477
TOTAL		<u>16,634,204</u>	<u>24,264,157</u>

		2001-2002	2000-2001
	Rs.	Rs.	Rs.
SCHEDULE '15' : INTEREST AND FINANCE CHARGES: (Net)			
Interest :			
On Fixed Loans	1,456,332		3,590,230
Other	<u>4,199,355</u>		<u>2,546,318</u>
		5,655,687	6,136,548
Less : Interest Received (Gross, Tax deducted Rs.17,268/-, Previous Year Rs.34,017/-)		<u>663,262</u>	<u>401,404</u>
		4,992,425	5,735,144
Bills Discounting Charges		<u>57,952</u>	<u>480,877</u>
TOTAL		<u>5,050,377</u>	<u>6,216,021</u>
SCHEDULE '16' : OTHER EXPENDITURE:			
Rent		42,128	88,172
Rates & Taxes		398,057	170,250
Insurance		198,047	167,310
Other Repairs		289,021	445,920
Excise Duty on Closing Stock of finished Goods		258,160	281,520
Freight, Octroi etc.		449,298	849,584
Brokerage		202,045	505,500
Auditor's Remuneration		58,961	64,324
Legal & Professional Fees		721,485	843,665
Directors' Fees		21,000	20,000
Travelling Expenses		859,183	994,446
Miscellaneous Expenses		3,657,773	4,618,274
Loss on Sale of Investments		0	1,156
Loss on Sale of Fixed Assets		99,326	49,080
Sundry Debit Balances Written Off		0	917,932
Late Delivery Charges		<u>84,868</u>	<u>510,228</u>
TOTAL		<u>7,339,352</u>	<u>10,527,361</u>
SCHEDULE '17' : DEPRECIATION AND OTHER WRITE OFFS:			
Amount Written Off against leasehold land		461,670	461,670
Depreciation		<u>2,915,188</u>	<u>3,098,589</u>
TOTAL		<u>3,376,858</u>	<u>3,560,259</u>

The Anup Engineering Limited

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

	2001-2002 Rs.	2000-2001 Rs.
1 Contingent Liabilities not provided for in respect of :		
(a) Bills and cheques discounted -	7,392,299	13,191,606
since realised	5,817,119	7,635,801
(b) Claims against the Company not acknowledged as Debts	525,545	525,545
(c) Excise demands -		
Matter decided in favour of the Company by		
Commissioner of Central Excise (Appeals)		
against which Dept. has gone in Appeal	2,759,331	2,759,331
Other Excise demand - under appeal	40,666	40,666
(d) Municipal Tax demand - matter under appeal	1,142,112	1,142,112
(e) Undertaking to Government for Concessional Customs Duty	1,021,678	1,021,678
1A Estimated amount of Contracts remaining		
to be executed on Capital account and not provided for	0	0
2 Payment to Auditors :		
i. As Auditors	31,500	31,500
ii. In other capacity :		
For Tax Audit	15,750	15,750
For Certificate	9,975	9,975
iii. For Expenses	1,736	7,099
	58,961	64,324
3 Guarantees given by Company's Bankers are secured by		
extension of hypothecation charge on Raw-materials,		
Finished Goods, Work-in-progress, etc. already		
hypothecated with the Bank and against second		
charge on Fixed Assets of the Company.	15,923,662	21,136,621
4 Raw Materials Consumption and Imported and Indigenous Consumption:		
(a) Raw Materials Consumption:		
	2001-2002	2000-2001
	Qty. Rs.	Qty. Rs.
Metal Sheets & Plates	650 MT.) 23,548,725	629 MT) 18,176,781
	-)	-)
Metal Pipes & Tubes	316022 Mtrs. 8,225,070	152831 Mtrs. 14,183,477
Structural Materials	26 MT 1,415,386	11 MT. 562,598
Welding Electrodes	6 MT 3,233,783	7 MT.) 2,405,703
	290953 Nos.	278824 Nos.)
Components	8,184,785	13,716,508
TOTAL..	44,607,749	49,045,067

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

(b) Imported & Indigenous Raw Materials Consumption :

	2001-2002		2000-2001	
	Rs.	Percentage	Rs.	Percentage
Imported	388,516	0.87%	820,724	1.67%
Indigenous	44,219,233	99.13%	48,224,343	98.33%
TOTAL	44,607,749	100.00%	49,045,067	100.00%

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

(a) Licensed & Installed Capacity & Production:

CLASS OF GOODS	LICENSED CAPACITY		*INSTALLED CAPACITY		PRODUCTION (INCL.LABOUR JOBS)	
	2001-2002	2000-2001	2001-2002	2000-2001	2001-2002	2000-2001
Chemical & Pharmaceutical Machinery	1900 MT.	1900 M.T.	1900 MT.	1900 MT.	655 MT.	1231 MT.
Industrial Centrifuges	100 Nos.	100 Nos.	100 Nos.	100 Nos.	0 Nos.	4 Nos.
**Dairy Machinery & Equipments	Rs.125 Lacs	Rs.125 Lacs				
Expansion Joints & Bellows	130 MT.	130 MT.	130 MT.	130 MT.	1 MT.	3 MT.
**Soda Ash Plant Equipments & Components	Rs.100 Lacs	Rs.100 Lacs				
Textile Machinery (including accessories)	25 Nos.	25 Nos.				

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

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

The Anup Engineering Limited

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

(b) Stocks & Turnover

CLASS OF GOODS	STOCK AT COMMENCEMENT		STOCK AT CLOSE		TURNOVER	
	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.
Chemical & Pharmaceutical Machinery						
2001-2002	10	3,156,745	25	5,603,813	637	67,771,153
2000-2001	37	2,346,025	10	3,156,745	755	67,059,021
Industrial Centrifuges						
2001-2002	1	399,273	1	399,273	0	0
2000-2001	1	452,985	1	399,273	4	8,846,160
*Dairy Machinery & Equipments						
2001-2002	-	0	-	0	-	0
2000-2001	-	0	-	0	-	0
Expansion Joints & Bellows						
2001-2002	1	6,944	1	6,944	13	316,622
2000-2001	1	5,624	1	6,944	31	439,737
*Soda Ash Plant, Equipments & Components						
2001-2002		0		0		0
2000-2001		0		0		0
Other						
2001-2002		0		0		6,132,789
2000-2001		0		0		3,701,293
TOTAL..						
2001-2002		3,562,962		6,010,030		74,220,564
2000-2001		2,804,634		3,562,962		80,046,212

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

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

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

	2001-2002 Rs.	2000-2001 Rs.
(a) C.I.F. Value of Imports :		
Raw Materials	3,41,208	2,97,498
(b) Expenditure in Foreign Currency :		
Other Matters	-	6,103
(c) Earnings in Foreign Currency :		
F.O.B. Value of Exports	28,05,575	25,78,000
Other	-	1,27,752

7. The Company has capitalised interest and finance charges for the entire contracted period on deferred credits under I.D.B.I. Bills Rediscounting Scheme availed for the purchase of Plant and Machinery upto 31st December, 1985, including interest and finance charges for the post period of assets already installed and commissioned.

Due to above capitalisation, the aggregate increase in :-

- (i) the gross value of Fixed Assets is Rs.14,83,181/-
(ii) the Reserves and Surplus is Rs. 33,351/-

Consequently the charge to Profit & Loss Account for the year on account of the depreciation is higher by Rs. 78,280/-

8. Customs Duty :

Import duty payable on goods lying in Customs Bonded Warehouse will, as per the Company's practice, estimated at Rs.18,14,919/- (Previous year Rs.18,14,919/-). This accounting policy has no impact on the loss for the year.

9. Gratuity Payments to left Employees :

During the year, majority of employees of the company has voluntarily retired under Voluntary Retirement Scheme offered by the Company.

Company has paid the additional Contributions to Gratuity Trust Fund amounting to Rs. 135,84,970/- in respect of outgoing employees. As this payments are expected to have future benefits company has decided to amortise the same over a period of 48 months of expected benefits commencing from the month of payments.

However, Company has fully provided present liability of future payment of gratuity in respect of existing employees.

10. Depreciation :

Depreciation on additions to assets upto 31st March, 1988, is provided on 'Straight line basis', pursuant to the Circular No.1/1/86-CLV No.15(50)84 CL VI dated 21.5.1986 issued by the Department of Company Affairs, at the rates corresponding to the rates applicable under the Income-tax Rules as in force at the time of acquisition/installation without considering the extra and multiple shift allowances, as per legal advice.

If the depreciation would have been computed considering the extra and multiple shift allowances the charge of depreciation for the year would have been lower by Rs.3,91,026/- and net value of fixed assets would have been lower by Rs.2,37,991/-.

The Anup Engineering Limited

11. Segement Reporting :

Company has only one Business Segment viz. "Fabrication" The Sales of the Company are mainly in India and the export turnover being 3.98% of the total turnover of the Company, there is no reportable Geographical Segment.

12. Deferred Taxation :

Accounting Standard relating to "Accounting for Taxes on Income" AS-22 issued by the Institute of Chartered Accountants of India is required to be implemented mandatorily with effect from 1st April, 2001. Pursuant to this standard, company has net deferred tax asset amounting to Rs. 1,44,79,751/- as on 31st March, 2001.

In view of continuous losses incurred by the Company in past, and no certainty of having taxable income in near foreseeable future, company has on ground of prudence not recognised the deferred tax asset in the Account.

13. Related Party Information :

A. Name of related party and nature of relationship:

Sr. No.	Name of the related party	Description of the relationship
1	Mr. P. G. Shah	Chief Executive Officer

B. Transactions with related parties:

Sr. No.	Name of the related party	Relationship	Nature of transactions	Amount Rs.	Outstanding Balance Rs.
1.	M/s. Unnati Engineers Pvt. Ltd.	Cheif Executive Officer is a Director	Purchase	99,527/-	99,527/-

C. There are no provisions for doubtful debts or amounts written off or written back in respect of debts due to or due from related parties.

D. Related party relationship is as identified by the Company on the basis of information available with them and relied upon by the Auditors.

15. Earning Per Share :

	<u>31-03-2002</u>	<u>31-03-2001</u>
Loss for the year attributable to the Equity Shareholders	Rs. 1,48,66,410/-	Rs. 3,00,51,655/-
Basic/Weighted average number of Equity Shares outstanding during the year	1,40,000	1,40,000
Normal Value of Equity Share	Rs. 100/-	Rs. 100/-
Basic & Diluted earnign per Share	(-) Rs. 106.19	(-) Rs. 214,65

SCHEDULE '18': NOTES FORMING PART OF THE ACCOUNTS: (CONTD.)**16. Small Scale Industrial Undertakings Dues:**

- (a) Disclosure under Sundry Creditors is based on the information available with the Company regarding the status of suppliers as defined under the "Interest on Delayed Payments to small Scale and Ancillary Industrial Undertaking Act, 1993".

There were no amounts overdue and remaining unpaid to small scale and/or ancillary Industrial suppliers on account of principal and/or interest as at the close of the year.

- (b) Name of Small Industrial Undertakings are as under :

C.D. Industries, Divine, Laboratory, Electro Service, Ex-P Lighting Equipments, Fluoroscapy Techniques Laboratory, Fluid Logic System Pvt. Ltd., Kartikeya Industries, Kunj Forgings, Madras Industrial Products, NDT Services, OSNA Electronics P.Ltd., Power Master Engineers P.Ltd., Plykraft Machines, Suraksha Udyog, Steelfit Engineerign Co., Sainest Tubes P. Ltd., SPM Engineers, Selvas Photographics Ltd., Vadilal Chemicals Ltd. Wellbore Engineering Co., Wellplain Engineering Co.

17. Leasehold land rights and Buildings of the Company have been revalued as on 1st April, 1998, and said revaluation has resulted in net increase of Rs.15,33,89,545/- in the book value which was transferred to Revaluation Reserve.
18. Company extends the benefits of encashment of leave to its employees while in service as well as on retirement. As the Company does not have any defined retirement scheme in this regards. Accounting Standard AS-15 issued by the Institute of Chartered Accountants of India is not considered applicable. Encashment of Leave accumulated while in service is at the option of employee and is accounted for as and when claimed, hence not accounted for.
19. Significant Accounting Policies followed by the Company are as stated in the Statement annexed to this Schedule.
20. Information required in terms of Part-VI of Schedule-VI to the Company's Act, 1956 is attached.
21. Previous year's figures have been regrouped and recast wherever necessary.

Signatures to Schedules '1' to '18'

As per our attached report of even date.
For and on behalf of
DALAL & SHAH
Chartered Accountants
B.R.SHAH
Partner.
Ahmedabad.
29TH June, 2002

For and on behalf of Board of Directors
SAMVEG A. LALBHAI
CHAIRMAN
ARUN P. SHETH
SHREYAS C. SHETH
DIRECTORS
Ahmedabad.
29TH June, 2002

Annexure referred to in Note 19 in Schedule 18 to the Accounts for the year ended 31st March, 2002.

Statement on Significant Accounting Policies

1. System of Accounting :

- i) The Company, generally, follows the mercantile system of accounting and recognises income and expenditure on an accrual basis, except those with significant uncertainties.
- ii) Financial statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money except in case of Leasehold Land Rights and Buildings, which are revalued as on 1st April, 1998 and resultant surplus is credited to Revaluation Reserve.

2. Fixed Assets and Depreciation :

(A) Fixed Assets

Fixed Assets are carried at cost of acquisition or construction including incidental expenses related to acquisition and installation of concerned assets, less accumulated depreciation and amortisation.

(B) Depreciation and Amortisation :

(a) Lease hold Land :

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

(b) Other Fixed Assets :

- (i) Depreciation is provided on 'Straight line basis' in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956. (vide note (ii) & (iii) below).
- (ii) Depreciation on additions to assets upto 31st March, 1988, is being provided on 'Straight line basis' pursuant to the Circular No.1/1/86-CLV No.15(50)84 CL VI dated 21.5.1986 issued by the Department of Company Affairs, at the rates corresponding to the rates applicable under the Income-tax Rules as in force at the time of acquisition/ installation without considering the extra and multiple shift allowances, as per legal advice.
- (iii) Depreciation on additions to the Assets on or after 1st April, 1988 is being provided at the rates (inclusive of multiple shift) in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956.
- (iv) Depreciation on assets sold, discarded or demolished is being provided upto the month of Sale, discarding or demolition of said assets.
- (v) Depreciation and lease hold land write offs on revalued assets are calculated on their respective book value at the rates considered applicable by the valuers. However, the difference between the depreciation and lease hold land write offs on revalued book values of Fixed Assets and original cost is withdrawn from the Revaluation Reserve and credited to the Profit and Loss Account.

THE ANUP ENGINEERING LIMITED

3. Investments :

Investments are valued at cost of acquisition.

4. Inventories :

- i) Stores, Spares etc. are valued at cost.
- ii) Raw Materials and Work-in-Progress are valued at cost or net realisable value whichever is lower.
- iii) Finished Goods are valued at cost or net realisable value whichever is lower including excise duty.
- iv) Obsolete & unserviceable stocks are valued at estimated realisable value.
- v) Goods in transit and in Bonded Warehouse are stated at actual cost upto the date of the Balance Sheet.

5. Exchange Fluctuations :

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

6. Retirement Benefits :

- i) Retirement benefits in the form of Provident Fund and Superannuation/Pension Scheme whether in pursuance of any law or otherwise, is accounted on accrual basis and charged to the Profit and Loss Account for the year.
- ii) Provision for the contribution to the Employees Gratuity Trust Fund is based on actuarial valuation carried out at the close of the year.
- iii) Payments for Early Voluntary Retirements :
Payments to the Voluntarily retiring employees are being amortised over the period of future benefit as estimated by the management. Amortisation for the payments made during 1998-1999 and 2001-2002 is over a period of 48 months commencing after completion of 24 months from the date of payment.

7. Leave Encashment :

The Company has no retirement benefits consisting of "Leave Encashment Benefit on Retirements" as the employees of the Company can encash unavailed leave during the period of service in accordance with company's rules and regulations, in this regard. The same is, therefore, accounted on payment basis.

The Anup Engineering Limited

Information referred to in Note 20 in Schedule 18 to the Accounts for the year ended 31st March, 2002.

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 :	31.03.2002
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	2308.61
	Total Assets	2308.61
	Sources of Funds:	
	Paid-up Capital	140.00
	Reserve & Surplus	1256.64
	Secured Loans	239.20
	Unsecured Loans	672.76
	Application of Funds:	
	Net fixed Assets	1558.36
	Investments	0.45
	Net Current Assets	84.38
	Misc. Expenditure	335.36
	Accumulated Losses	332.05
IV.	Performance of Company	
	Turnover (Incl. other income)	823.69
	Total Expenditure	975.32
	Loss before Tax	(151.63)
	Loss after Tax	(151.63)
	Earning Per Share in Rs.	NIL
	Dividend Rate %	NIL
V.	Generic Names of Three Principal Products/Services of Company (as per monetary terms)	
	Item Code No. (ITC Code)	841989.01
	Product Description	Pressure Vessels, Reactors
	Item Code No. (ITC Code)	842119.02 & 842119.07
	Product Description	Centrifuges
	Item Code No. (ITC Code)	731100.09
	Product Description	Chlorine Containers

CASH FLOW STATEMENT

(Rs.in Lacs)

	2001-2002		2000-2001	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :				
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS				
(See Note 1 Below)		(14,864,298)		(30,049,814)
Adjustment for :				
Depreciation	3,376,858		3,560,259	
Less : Transferred from				
Revaluation Reserve	1,659,191		1,659,191	
		1,717,667		1,901,068
Interest (Net)		5,050,377		6,216,021
Dividend/Income from Units (See Sch.10)		(8,904)		(16,681)
		67,59,140		8,100,408
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(8,105,158)		(21,949,406)
Adjustment for :				
Trade & Other Receivables				
(See Note 2 below)		7,278,889		(5,725,674)
Inventories				
(See Schedule 7)		(5,470,291)		1,874,384
Trade Payables				
(See Sch.8)		615,396		22,341,489
Deferred Revenue Exps.				
(See Sch.9)		(24,302,086)		4,060,546
		(21,878,092)		22,550,745
CASH GENERATED FROM OPERATIONS :		(29,983,250)		601,339
Interest Paid		5,713,639		6,617,425
CASH FLOW BEFORE EXTRA ORDINARY ITEMS		(35,696,889)		(6,016,086)
NET CASH FROM OPERATING ACTIVITIES		(35,696,889)		(6,016,086)

The Anup Engineering Limited

(Rs.in Lacs)			
2001-2002		2000-2001	
Rs.	Rs.	Rs.	Rs.
B. CASH FLOW FROM INVESTING ACTIVITIES :			
Purchase of Fixed Assets (See Sch.5)	(14,560)	(78,337)	
Sales of Fixed Assets (See Note 3)	197,437	236,826	
Leasehold land written off	(2,112)	(2,112)	
Interest Received	663,262	401,404	
Sale of Investments (See Sch.6)	-	83,980	
Dividend/Income from Units	8,904	16,681	
NET CASH USED IN INVESTING ACTIVITIES	852,931	658,442	
C. CASH FLOW FROM FINANCING ACTIVITIES :			
Total proceeds from borrowings (Net of repayments) (See Sch.3 & 4)	35,426,371	5,931,729	
Net Increase/Decrease in Cash & Cash equivalents	582,413	574,085	
CASH & CASH EQUIVALENTS AS AT 1.4.2001 (OPENING BALANCE)	2,423,195	1,849,110	
CASH & CASH EQUIVALENTS AS AT 31.3.2002 (CLOSING BALANCE)	3,005,608	2,423,195	

As per our attached report of even date.
For and on behalf of
DALAL & SHAH
Chartered Accountants
B.R.SHAH
Partner.
Ahmedabad.
29TH June, 2002

For and on behalf of Board of Directors
SAMVEG A. LALBHAI
CHAIRMAN
ARUN P. SHETH
SHREYAS C. SHETH
DIRECTORS
Ahmedabad.
29TH June, 2002

AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statement of The Anup Engineering Limited for the year ended 31st March, 2002. The statement has been prepared by the Company in accordance with the requirement of Listing Agreement Clause 32 with Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 29th June, 2002, to the members of the Company and reallocation required for the purpose are as made by the Company.

Ahmedabad
29th June, 2002

For and on behalf of
DALAL & SHAH
Chartered Accountants
B.R. SHAH
Partner

**WORKING SHEET FOR CASH FLOW STATEMENT BASED ON BALANCE SHEET
AS AT AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2002**

Note No.		<u>2001-2002</u>	<u>2000-2001</u>
1	NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS :		
	Loss/Profit before tax as per Profit & Loss A/c.	(15,163,299)	(30,048,612)
	Prior Period Adjustment	296,889	(3,043)
	Less/Add : Amount written off against leasehold land	461,670	461,670
		<u>(14,404,740)</u>	<u>(29,589,985)</u>
	Add/Less : Transferred from Revaluation Reserve	(459,558)	(459,558)
	Add/Less : Surplus on Sale of Fixed Assets	-	(271)
		<u>(14,864,298)</u>	<u>(30,049,814)</u>
		<u>31.03.2002</u>	<u>31.03.2001</u>
2	TRADE AND OTHER RECEIVABLES		
	(See Schedule 7)		
	Sundry Debtors	8,848,565	15,837,381
	Loans & Advances	3,603,463	3,893,536
		<u>12,452,028</u>	<u>19,730,917</u>
			<u>14,005,243</u>
	Decrease/Increase in Trade & Other receivables	<u>7,278,889</u>	<u>(5,725,674)</u>
		<u>2001-2002</u>	<u>2000-2001</u>
3	SALE OF FIXED ASSETS :		
	Sale of Fixed Assets (As per Schedule 5)	756,571	400,315
	Add : Surplus on Sale of Fixed Assets	-	271
	Less : Depreciation on Sale of Assets recouped	559,134	(163,760)
		<u>197,437</u>	<u>236,826</u>

Form of Proxy

THE ANUP ENGINEERING LIMITED

Registered Office :
Anil Starch's Premises, Anil Road, Ahmedabad - 380 025.

I, We _____
of _____ in the District of _____ being
a member/members of the above named Company hereby appoint _____
_____ of _____
in the District of _____ or failing him _____
_____ of _____
in the District of _____ or failing him _____
_____ of _____
in the District of _____ as my/our
proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be
held on 16th September, 2002 and at any adjournment thereof.

Signed this _____ day of _____ 2002

Signature _____

30 Ps.
Revenue
Stamp

Membership No. : _____

No. of Shares held : _____

- 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 Anil Starch's Premises, Anil Road, Ahmedabad - 380 025 by 10:00 a.m. on or before 14th September, 2002

Book - Post

Sadhana Offset Ph. : 5503792

If Undelivered please return to :
The Anup Engineering Limited
Registered Office
Anil Starch's Premises
Anil Road,
AHMEDABAD - 380 025