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# ANUP

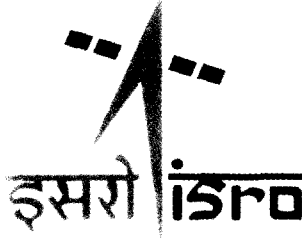
LALBHAI GROUP

**THE ANUP ENGINEERING LIMITED**

**Annual Report 2008-2009**

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

दूरभाषा :  
फैक्स :



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

22/12/08

To

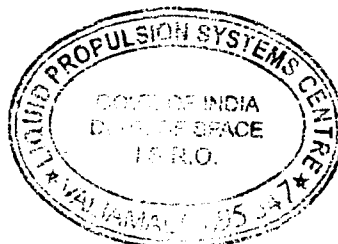
**The Chief Executive Officer,  
Anup Engineering Ltd,  
Ahmedabad.**

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

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

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

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



*for h. lund*  
**C. AMARASEKARAN**  
Deputy Director, CSC  
LPSC, Valiamala

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

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

**DIRECTORS :**

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

CHAIRMAN

**REGISTERED OFFICE/WORKS :**

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

**AUDITORS :**

MESSERS DALAL & SHAH  
Chartered Accountants

**BANKERS :**

Bank of Baroda

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

**DIRECTORS' REPORT**

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

**1. FINANCIAL RESULTS :**

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

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

**2. OPERATIONS:**

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

**3. PROSPECTS:**

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

**4. EMPLOYEES:**

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

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

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

## The Anup Engineering Limited

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

----- None -----

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

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

### 5. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i) that in the preparation of annual accounts, the applicable accounting standards have been followed.
- ii) that in such accounting policies selected and applied are consistent and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period.
- iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) that the annual accounts have been prepared on going concern basis

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

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

### 7. INSURANCE :

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

### 8. DIRECTORS :

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

### 9. AUDITORS :

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

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

### 10. Appreciation:

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

Ahmedabad.  
Date: 25th April, 2009.

By Order of the Board,

(SAMVEG A. LALBHAI)  
CHAIRMAN

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

**A. CONSERVATION OF ENERGY:**

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

**FORM A**

**A. POWER AND FUEL CONSUMPTION :**

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

**FORM B**

**B. TECHNOLOGY ABSORPTION :**

**Research & Development :**

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

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

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

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

**(c) Future Plan of action :**

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

**(d) R&D Expenditure :**

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

**Technology absorption, adaptation and innovation :**

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

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

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

# The Anup Engineering Limited

## COMPLIANCE CERTIFICATE

Registration No. of the Company : 04-1170

Nominal Capital: Rs. 5.00 Crores

To,

The Members

**THE ANUP ENGINEERING LIMITED**

Behind 66 KV Electricity Sub- Station,

Odhav Road,

Ahmedabad-382415.

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

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

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

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

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

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

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

## The Anup Engineering Limited

### ANNEXURE 'A'

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

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

### ANNEXURE "B"

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### Overview

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

### Industry Structure & Developments

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

### Opportunities and threats

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

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

### Strengths and Weakness:

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

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

### Outlook

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

### Internal Control System

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

### Human Resources

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

For and on behalf of the Board of Directors

Ahmedabad  
April 25, 2009

**SAMVEG A. LALBHAI**  
Chairman

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