



ANUP

LALBHAI GROUP

THE ANUP ENGINEERING LIMITED
Annual Report 2012-2013

CERTIFICATES

The American Society of Mechanical Engineers



CERTIFICATE OF AUTHORIZATION

This certificate certifies the named company as authorized to use the indicated symbol of the American Society of Mechanical Engineers (ASME) for the scope of activity shown below in accordance with the applicable rules of the ASME Boiler and Pressure Vessel Code. The use of the Code symbol and the authority granted by this Certificate of Authorization are subject to the provisions of the agreement set forth in the application. Any construction stamped with this symbol shall have been built strictly in accordance with the provisions of the ASME Boiler and Pressure Vessel Code.

COMPANY:

The Anup Engineering Limited
Behind 66 KV Electric Sub-Station
Odhav Road
Ahmedabad, Gujarat 382415
India

SCOPE:

Manufacture of pressure vessels at the above location and field sites controlled by the above location (This authorization does not cover impregnated graphite)

AUTHORIZED: September 6, 2011
EXPIRES: September 6, 2014
CERTIFICATE NUMBER: 35,438

Vice President
Conformity Assessment

Director, Accreditation and Certification



CERTIFICATE OF AUTHORIZATION

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COMPANY:

The Anup Engineering Limited
Behind 66 KV Electric Sub-Station
Odhav Road
Ahmedabad, Gujarat 382415
India

SCOPE:

Manufacture of pressure vessels at the above location and field sites controlled by the above location

AUTHORIZED: September 6, 2011
EXPIRES: September 6, 2014
CERTIFICATE NUMBER: 41,268

Vice President
Conformity Assessment

Director, Accreditation and Certification

The American Society of Mechanical Engineers



THE NATIONAL BOARD OF BOILER & PRESSURE VESSEL INSPECTORS

Certificate of Authorization



This is to certify that

THE ANUP ENGINEERING LIMITED
BEHIND 66 KV ELECTRIC SUB-STATION
ODHAV ROAD
AHMEDABAD, GUJARAT, 382 415
INDIA

is authorized to use the "R" SYMBOL in accordance with the provisions of the National Board.

The scope of Authorization is limited as follows:

METALLIC REPAIRS AND/OR ALTERATIONS AT THE
ABOVE LOCATION AND EXTENDED FOR FIELD REPAIRS
AND/OR ALTERATIONS CONTROLLED BY THIS LOCATION

CERTIFICATE NUMBER: R-8498
ISSUE DATE: SEPTEMBER 13, 2011
EXPIRATION DATE: NOVEMBER 16, 2014

Executive Director

NB 247 Rev. 4



CERTIFICATE OF AUTHORIZATION

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COMPANY:

The Anup Engineering Limited
Behind 66 KV Electric Sub-Station
Odhav Road
Ahmedabad, Gujarat 382415
India

SCOPE:

Manufacture and assembly of power boilers at the above location and field sites controlled by the above location

AUTHORIZED: September 6, 2011
EXPIRES: September 6, 2014
CERTIFICATE NUMBER: 40,822

Vice President
Conformity Assessment

Director, Accreditation and Certification

The American Society of Mechanical Engineers



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 :

B/H 66 KV Electric Sub-Station,
Odhav Road,
Ahmedabad-382 415
Tel No. : (079)22870622

AUDITORS :

M/S 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 50th Annual Report together with the audited statements of Accounts for the year ended 31st March, 2013

1. FINANCIAL RESULTS :

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

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

2. OPERATIONS:

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

3. PROSPECTS:

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

4. EMPLOYEES:

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

There is no employee drawing salary of Rs. 5,00,000/- per month or Rs. 60,00,000/- per annum during the year under report and as such no information is required to be given under Section 217(2a)(b) of the Companies Act, 1956 and forming part of the Director's Report for the year ended on 31.3.2013

5. DIRECTORS' RESPONSIBILITY STATEMENT:

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

The Anup Engineering Limited

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

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

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

7. INSURANCE :

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

8. DIRECTORS :

Shri Arun P. Sheth and Shri Shreyas C. Sheth Director of the Company, retire by rotation and being eligible, offer himself for re-election.

9. AUDITORS :

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

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

10. Appreciation:

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

Ahmedabad.
8th May 2013.

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

FORM B

B. TECHNOLOGY ABSORPTION :

Research and Development :

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

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

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

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

(c) Future Plan of action:

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

(d) R and D Expenditure:

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

Technology absorption, adaptation and innovation :

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

COMPLIANCE CERTIFICATE

CIN : L99999GJ1962PLC001170

Nominal Capital : Rs. 5.00 Crores

To,

The Members

THE ANUP ENGINEERING LIMITED

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

I have examined the registers, records, books and papers of **M/S. THE ANUP ENGINEERING LIMITED** as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2013. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, on the date as mentioned in the said Annexure 'B'.
3. The Company being Public Limited Company the provisions of Section 3 (1) (iii) of the Companies Act, 1956, are not applicable.
4. The Board of Directors duly met 4 times on 05/05/2012, 20/07/2012, 27/10/2012 and 25/01/2013 during the financial year under review in respect of which meetings proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Register of members was closed from 13/07/2012 to 20/07/2012 during the financial year.
6. The Annual General Meeting for the financial year ended on 31/03/2012 was held on 20/07/2012 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General meeting was held during the financial year under review.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has duly complied with the provisions of Section 297 of the Companies Act, 1956 during the year under review.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act during the financial year.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company was not required to obtain any approvals from the Board of Directors, members or Central Government during the financial year.
12. The Company has issued duplicate share certificate during the year under review.
13. (i) The Company has delivered all the certificates on lodgement thereof for transfer/ transmission of securities during the financial year under review. There was no allotment of securities during the financial year.
(ii) The Company was not required to deposit any amount in a separate Bank Account as no dividend was declared during the financial year under review.
(iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year under review.
(iv) The Company was not required to comply with the provisions of section 205C of the Companies Act, 1956 as there was no amount outstanding for period of seven years to the investors of the company.
(v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional Director, alternate Director and Director to fill casual vacancy during the financial year.

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

FOR R. V. SHAH & CO.
Company Secretary

PLACE: AHMEDABAD

8th May 2013.

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

ANNEXURE 'A'

Statutory and Other Registers maintained by the Company:

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

The Anup Engineering Limited

8. Register of Attendance of Board Meetings
9. Register of Attendance of General Meetings

ANNEXURE "B"

Forms and Return as filed by the Company with the Registrar of Companies, Gujarat during the financial year ended on 31/03/2013

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.	Form 8	135	Modification of Charge Dated 12/04/2012	02/05/2012	YES	N.A.
2.	Form 8	135	Modification of Charge Dated 12/04/2012	04/05/2012	YES	N.A.
3.	Statement in Lieu of Advertisement (Form-62)	Rule 4A of Companies (Acceptance of Deposit) Rules, 1975	Accept Deposit for the year 2012-13	15/05/2012	YES	N.A.
4.	Form 5 INV	IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012	Statement of unclaimed and unpaid amounts	30/07/2012	YES	N.A.
5.	Form 66	383A	Compliance Certificate	16/08/2012	YES	N.A.
6.	Annual Return (Form 20B)	159	20/07/2012	15/09/2012	YES	N.A.
7.	Form 5 INV	IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012	Statement of unclaimed and unpaid amounts	15/10/2012	YES	N.A.
8.	Balance Sheet (Form 23AC & Form 23ACA)	220	31/03/2012	13/12/2012	YES	N.A.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

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

Industry Structure & Developments

The Company is in heavy fabrication industry and is one of the leading players since last 50 years. Your company is one of the very few companies in the country, which has integrated fabrication facilities under one roof.

Your Company caters to, Refinery, Power Industry, Process Manufacturing, Chemical & Petro Chemical, Pharma etc. industries of the Country. Range of products includes process equipments, pressure vessels, heat exchangers, columns, centrifuges, chlorine tuners and vessels, expansion bellows etc.

Opportunities and threats

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

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

Strengths and Weakness:

As reported your company further increased its Manufacturing facilities and entered in higher weight equipment manufacturing segment. Company is "U" stamp manufacturer and is also ISO 9001:2008 registered company. Further Company has obtained OHSAS registration. Company has also obtained "U2" "S" and "R" Certification. During the year company has obtained EN ISO 3834-2 & AD 2000 Merkblatt HPO Certification. With this Company would be in a better position to explore the Export Market. Company makes use of latest engineering software technology like Micropotol, PVELITE-2009, COMPRESS-6260, PERT-CPM, IMMS etc. as design, manufacturing and process control tools. Company is leading quality fabricator. All these will give an edge to the company. Being Subsidiary of Arvind Limited, Company is proud member of leading industrial house in the country. Even after early recovery slow progress in Capital Expenditure Program of Large Industrial Houses, delay in execution, huge working capital requirements, terms dictating capacities of large customers etc. may affect the future profitability of the company.

Outlook

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

Internal Control System

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

Human Resources

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

Ahmedabad

8th May 2013.

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.