

MD	NA	BKC	✓
CS	NA	DTY	NA
RO	✓	DTV	NA
TRA	NA		✓
AGM	NA		✓
YE	✓		

ASHOK KEDIA & COMPANY
Chartered Accountants

Auditors' Report TO THE MEMBERS

We have audited the attached Balance Sheet of ANUP MALLEABLES LIMITED as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date annexed thereto and report that:

1. a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper Books of Account as required by Law have been kept by the Company so far as appears from our examination of the Books.
- c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with Books of Account.
- d) Method of accounting for gratuity has been changed from Cash basis to Mercantile basis and gratuity payable as on 31.03.1998 Rs.4,67,086/- on the basis of actuarial valuation has been provided in the accounts as a result of which profit for the year has been lower to that extent.
- e) Subject to (d) above 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 in schedule '19' thereon given the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - i) in the case of Balance Sheet of the state of affairs of the Company as at 31st March, 1998; and
 - ii) in the case of the Profit and Loss Account of the Profit for the year ended on that date.
2. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 and according to 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. The Fixed Assets have been physically verified by the Management during the year and no significant discrepancies between book records and physical verification were noticed.
 - ii) None of the Fixed Assets has been revalued during the year.
 - iii) The Stock of Finished Goods, Stores, Spare Parts, Raw Materials and Manufacturing Components have been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
 - iv) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

ASHOK KEDIA & COMPANY
Chartered Accountants

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- v) No discrepancy was noticed on verification between book records and physical stocks.
- vi) In our opinion the valuation of Stocks are fair and proper and in accordance with normally accepted accounting principles and is on the same basis as in the previous year.
- vii) The Company has not taken any Loans from Companies Firms and Other Parties in the register maintained U/s.301 and 370 (1-B) of the Companies Act, 1956.
- viii) The Company has not granted any Loans, Secured or Unsecured during the year.
- ix) In our opinion and according to the information and explanations given to us, internal control procedures for the purchase of Stores, Raw Materials including Components, Plant & Machinery, equipment and other Assets and sale of goods are commensurate with the size of the Company and nature of its business.
- x) There are no transactions of purchase of goods and materials made in pursuance of contracts or arrangements. As regards sale of Services in pursuance of contracts or arrangements entered in the register(s) maintained under section 301 of the Companies Act, 1956 (1 of 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 according to the Management. However, no quotation could be produced to us.
- xi) As explained to us, the company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods. No damaged goods were determined during the year.
- xii) The Company has not accepted any deposits from the Public within the meaning of section 58A of the Companies Act, 1956.
- xiii) In our opinion, reasonable records have been maintained by the company for the sale and disposal of stores scraps. There is no by products arising out of manufacturing process of the Company.
- xiv) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- xv) The Central Government has not prescribed the maintenance of cost records Under Section 209(1)(d) of the Companies Act,, 1956, for any of the products of the Company.
- xvi) According to the records of the Company, Provident Fund and Employees State Insurance dues have generally been regularly deposited during the year with the appropriate authorities.

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Chartered Accountants

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- xvii) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Wealth Tax and Custom Duty outstanding as at 31st March, 1998 for a period of more than six months from the date they became payable, except Bihar Sales Tax and Turnover Tax amounting to Rs.5,88,054/-.
- xviii) During the course of our audit of the books of account carried out in accordance with generally accepted auditing practices, we have not come across any personal expenses which have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practices.
- xix) The Company is not a Sick Industrial Company within the meaning or Clause (0) of Sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
- xx) In respect of service activities of the Company namely, machining, fabrication and other job contract the Company has reasonable system for recording receipt issues and consumption of materials along with reasonable system for authorisations at proper levels and adequate system of internal control for issue of stores, commensurate with the size of the Company and nature of its business. The allocation of materials and man hour to respective jobs are not made but in our opinion control is exercised on total materials and labour consumed.
- xxi) On the facts and circumstances prevailing in the company other clauses of the aforesaid order are not applicable to it.

For ASHOK KEDIA & COMPANY,
CHARTERED ACCOUNTANTS4, Gangadhar Babu Lane,
Calcutta - 700 012.

Dated the 26th day of August, 1998.


A.K. KEDIA
PARTNER

ASHOK KEDIA & COMPANY

Chartered Accountants

MESSRS. ANUP MALLEABLES LIMITED BALANCE SHEET AS AT 31ST MARCH, 1998

	SCHE DULE	AS AT 31.03.98 Rs.	AS AT 31.03.97 Rs.
SOURCES OF FUNDS:			
a) Share Capital	1	75,00,000	75,00,000
b) Reserve & Surplus	2	1,26,31,703	1,11,79,901
LOAN FUNDS			
a) Secured Loan	3	1,21,77,333	1,22,63,529
b) Unsecured Loan	4	44,99,393	38,26,587
		3,68,08,429	3,47,70,017
APPLICATION OF FUNDS:			
FIXED ASSETS			
	5		
a) Gross Block		4,46,83,952	4,02,31,472
b) Less: Depreciation		2,85,03,255	2,68,66,612
c) Net Block		1,61,80,697	1,33,64,860
d) Capital Work-in-progress		---	5,44,404
e) Investments	6	13,74,828	13,74,828
CURRENT ASSETS, LOANS & ADVANCES			
a) Inventories	7	1,43,15,571	1,30,59,307
b) Sundry Debtors	8	1,21,07,248	60,76,590
c) Cash and Bank Balances	9	16,81,796	37,14,394
d) Loans & Advances	10	26,26,396	55,79,908
		3,07,31,011	2,84,30,199
Less: Current Liabilities and Provisions			
Current Liabilities	11	1,08,11,021	89,44,274
Provisions	12	6,67,086	---
		1,14,78,107	89,44,274
NET CURRENT ASSETS			
		1,92,52,904	1,94,85,925
		3,68,08,429	3,47,70,017

Notes on Accounts 17

This is the Balance Sheet referred to in our annexed report of even date

For ASHOK KEDIA & COMPANY,
CHARTERED ACCOUNTANTS,

4, Gangadhar Babu Lane,
Calcutta - 700 012.

Dated the 26th day of August, 1998.

DIRECTORS

A. K. KEDIA
PARTNER

ASHOK KEDIA & COMPANY

Chartered Accountants

MESSRS. ANUP MALLEABLES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1998

	SCH DULE	YEAR ENDED 31.03.98 Rs.	YEAR ENDED 31.03.97 Rs.
INCOME			
Sales		76,56,237	15,40,440
Job Work (T.D.S. Rs.58,350/- Prev. Year Rs.8,749/-)		3,34,92,874	2,01,11,375
Other Income	13	11,88,339	28,41,352
Closing Stock	14	1,06,39,509	92,06,539
		5,29,76,959	3,36,99,756
EXPENDITURE			
Opening Stock	15	92,06,589	1,16,17,002
Loss on Sale of Raw Materials	16	25,894	---
Manufacturing & Other Expenses	17	3,80,96,964	1,90,13,165
Interest	18	20,78,648	30,52,179
Depreciation		16,36,643	16,76,780
		5,10,44,738	3,53,59,126
Profit/(Loss) Before Taxation		19,32,221	(16,59,370)
Short Provision for Taxation		2,80,419	4,11,641
Provision for Income Tax		2,00,000	---
Profit/(Loss) after Taxation		14,51,802	(20,71,011)
Balance brought forward from last year		60,40,096	81,11,107
Balance of Profit Carried to B/Sheet		74,91,898	60,40,096
Notes on Accounts	19		

This is the Profit & Loss Account referred to in our annexed report of even date

DIRECTORS

For ASHOK KEDIA & COMPANY,
CHARTERED ACCOUNTANTS,

4, Gangadhar Babu Lane,
Calcutta - 700 012.

Dated the 26th day of August, 1998.

A.K. KEDIA
PARTNER