

ANUP MALLEABLES LIMITED**DIRECTORS' REPORT**

Your Directors have pleasure in presenting their Annual Report together with the audited accounts of your company for the year ended 31st March, 2002.

FINANCIAL RESULTS

	Year Ended 31.03.2002	Year Ended 31.03.2001
	Rs.	Rs.
Profit/(Loss) before Taxation	(27,93,571)	16,55,909
Add/Less: Short(Excess) Provision for Taxation	(94)	43,574
Less: Provision for Income Tax	---	1,80,000
Deferred Tax Assets for the year	7,75,055	---
Profit/(Loss) after Taxation	(20,18,422)	14,32,335
Add: Balance (Cr.) brought forward from last year	1,01,49,131	87,16,796
Balance (Cr.) carried to Balance Sheet	81,30,709	1,01,49,131

DIVIDEND

With a view to strengthening the financial position of the company your directors do not recommend any dividend for the year.

DIRECTORS

Sri Gurbakhsh Singh Garcha, director of the company retires by rotation and being eligible offers himself for re-appointment.

AUDITORS

Messrs Ashok Kedia & Company, Chartered Accountants, statutory auditors of the company retire at the forthcoming Annual General Meeting and are eligible after themselves for re-appointment.

AUDITORS' REPORT

Appropriate notes to the Accounts explain the observations in the Auditors' Report.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

The company has done efforts for rationalisation of energy consumption. No technology being absorbed during the year under review. There is no other information under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 to be furnished.

PARTICULARS OF EMPLOYEES

None of the Employees of the company were in receipt of remuneration on aggregating Rs.1,00,000/- or more per month or Rs.12,00,000/- or more per annum whether employed for full year or part of the year.

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FOR ANUP MALLEABLES LTD.

Brij Mohan Todi
DIRECTOR

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DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i) that in the preparation of the annual accounts for the financial year ended 31st March, 2002, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were 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 Loss of the company for the year under review;
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) that the directors had prepared the accounts for the financial year ended 31st March, 2002 on a 'going concern basis'.

PERSONNEL

Your Directors would take to place on record their deep appreciation for the contribution made by the employees at all levels for the smooth operation of the company during the year.

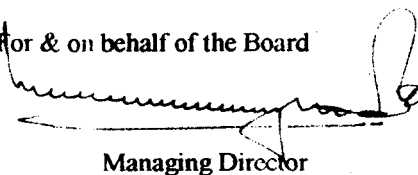
FOREIGN EXCHANGE EARNING AND OUTGO

a) Foreign Exchange Earning	:	NIL
Foreign Exchange Outgo	:	Rs.61,250/-

Regd. Office:
8, Waterloo Street,
Calcutta - 700 069

Dated the 29th day of October, 2002.

For & on behalf of the Board



Managing Director

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FOR ANUP MALLEABLES LTD.

Brij Mohan Todi
DIRECTOR

ASHOK KEDIA & COMPANY
Chartered Accountants

AUDITOR'S REPORT

To the Members of M/s. Anup Malleables Limited

We have audited the attached Balance Sheet of M/s. Anup Malleables 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.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March, 2002, and taken on record by the Board of Directors, we report that none of the directors 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;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2002; and
 - (b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date.

For ASHOK KEDIA & COMPANY,
CHARTERED ACCOUNTANTS,

4, Gangadhar Babu Lane,
Kolkata - 700 012.

Dated the 29th day of October 2002.

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FOR ANUP MALLEABLES LTD.
Brij Mohan Todi
DIRECTOR
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ASHOK KEDIA & COMPANY

Chartered Accountants

Annexed referred to in Paragraph 1 of our report of even date

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The management during the year has physically verified the fixed assets and no significant discrepancies between book records and physical verification were noticed.
2. None of the fixed assets have been re-valued during the year.
3. The Management has physically verified the Stock of Finished Goods, Stores, Spares Parts, Raw Materials and Manufacturing Components during the year. In our opinion, the frequency of verification is reasonable.
4. In our opinion and according to the information and explanations given to us, the procedures 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.
5. No material discrepancies were noticed on verification between book records and physical stocks.
6. In our opinion, the valuations of stock are fair and proper in accordance with normally accepted accounting principles, and is on the same basis in preceding year.
7. The Company has taken Loans from body corporates listed in the register maintained under section 301 of the Companies Act, 1956 and the rate of interest and other terms & conditions of such Loans are not prima facie prejudicial to the interest of the company.
8. The Company has not granted any Loans, Secured or Unsecured during the year.
9. 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, Equipments & other Assets and sale of goods are commensurate with the size of the Company and the nature of its business.
10. According to information and explanation given to us, the transactions relating to purchase of goods & materials 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 quotations could be produced to us.
11. 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.
12. The Company has not accepted any deposits from the Public within the meaning of section 58A of the Companies Act, 1956 and the rules framed there under.
13. During the year no scraps have been generated, there is no by-products arising out of manufacturing process of the company.

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Brij Mohan Todi
DIRECTOR

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ASHOK KEDIA & COMPANY

Chartered Accountants

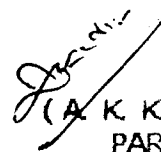
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14. In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
15. The Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956, for any of the products of the Company.
16. According to the records of the Company, Provident Fund and Employee State Insurance dues have been regularly deposited during the year with the appropriate authorities. There are no arrear at the end of the year.
17. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Custom Duty outstanding as at 31st March, 2002 for a period of more than six months from the date the become payable.
18. 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.
19. The Company is not a sick industrial company within the meaning of Clause (o) of Sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
20. In respect of service activities of Company namely Machining, Fabrication and other Job contracts the Company has reasonable system for recording receipt issues and consumption of materials along with reasonable system for authorization as proper level 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-hours to respective Job are not made but in our opinion control is exercise on total materials and Labour consumed.
21. 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 ACCOUNTANTS

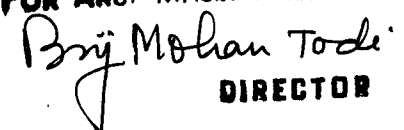
4, Gangadhar Babu Lane,
Kolkata - 700 012

Dated the 29th day October, 2002.


(A. K. KEDIA)
PARTNER

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FOR ANUP MALLETT LTD.


DIRECTOR

MESSRS ANUP MALLEABLES LIMITED
BALANCE SHEET AS AT 31st March, 2002

	Schedule	AS AT 31.03.2002 PS.	AS AT 31.03.2001 RS.
SOURCES OF FUNDS :			
<u>Shareholders' Fund :-</u>			
a) Share Capital	1	7,500,000	7,500,000
b) Reserve and surplus	2	14,871,875	15,288,936
<u>Loan Fund :-</u>			
a) Secured Loan	3	16,301,995	11,199,947
a) Unsecured Loan	4	<u>4,094,248</u>	<u>2,986,936</u>
		<u>42,768,118</u>	<u>36,975,819</u>
APPLICATION OF FUND :			
<u>Fixed Assets :-</u>			
a) Gross Block	5	55,137,416	52,040,827
b) Less: Depreciation		<u>32,821,277</u>	<u>33,372,833</u>
c) Net Block		22,316,139	18,667,994
d) Capital Work-in-progress		-	1,893,276
Investments :	6	2,555,746	2,555,746
<u>Current Assets, Loan & Advances:</u>			
a) Inventories	7	16,294,946	14,914,243
b) Sundry Debtors	8	8,909,558	6,888,805
c) Cash & Bank Balances	9	1,431,512	586,003
d) Loans & Advances	10	<u>5,229,476</u>	<u>4,196,849</u>
		31,865,492	26,585,900
<u>Less: Current Liabilities & Provisions :</u>			
a) Current liabilities	11	15,684,666	11,973,942
b) Provisions	12	<u>661,009</u>	<u>753,155</u>
		<u>16,345,675</u>	<u>12,727,097</u>
Net Current Assets:		15,519,817	13,858,803
Deferred Tax Assets		<u>2,376,416</u>	-
		<u>42,768,118</u>	<u>36,975,819</u>

Notes on Accounts & Accounting Policies

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

For ASHOK KEDIA & COMPANY

CHARTERED ACCOUNTANTS.

(A. K. KEDIA)
 PARTNER

4, Gangadhar Babu Lane,
 Kolkata 700 012

Dated the 29th day of October, 2002.

Nandan Kumar Aggarwal

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FOR ANUP MALLEABLES LTD.

Brij Mohan Todi
 DIRECTOR