

**THE ANUP ENGINEERING LIMITED
AHMEDABAD**

**BALANCE SHEET
2015-16**

Anup

(LALBHAI GROUP)

**The Anup Engineering Limited
Ahmedabad**

DIRECTORS:

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

CHAIRMAN

REGISTERED OFFICE/WORKS:

B/H 66 KV Electric Sub-Station,
Odhav Road,
Ahmedabad-382415
Tel No : (079) 22870622

AUDITORS:

M/S SORAB S ENGINEER & CO.
Chartered Accountants

BANKERS:

BANK OF BARODA

CORPORATE IDENTITY NUMBER (CIN)

U99999GJ1962PLC001170

Shareholders intending to required 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

AHMEDABAD

DIRECTORS' REPORT

**To
The Members,
The Anup Engineering Limited,**

The directors hereby present their 53rd Annual report on the business and operations of the Company and the Audited financial accounts for the Year ended 31st March, 2016.

1. FINANCIAL RESULTS:

Particulars	2015-16		2014-15	
Profit before Interest, Depreciation & taxation		4008.18		3120.43
Less: Interest	33.81		131.24	
Depreciation & Write Off	232.78		238.13	
		266.59		369.37
Less: Provision for Taxation				
- Current	1325.00		941.00	
- Deferred	3.27		-4.91	
- Short Provision of earlier years(Net)	11.97		0.11	
		1340.24		936.20
Profit for the year		2401.35		1814.86
Add: Balance as per last balance Sheet		6296.86		4496.51
Balance available for appropriation		8698.21		6296.86
Balance Carried to Balance Sheet		8698.21		6296.86

2. HIGHLIGHTS OF PERFORMANCE :

During the year under report your company could maintain Turnover at Rs. 136.77 Crore as against Rs. 136.91 Crore in the previous year. But Profit before interest, Depreciation and tax improved one and half time to Rs. 39.74 Crore as against Rs. 29.89 Crore in the previous year. Profit for the year after providing for interest, depreciation and tax increased substantially from Rs. 18.14 Crore during the previous year to Rs. 24.01 Crore during the year under report. This was made possible with the conscious efforts of the management on all fronts-increased focus on replacement 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. DIVIDEND:

In order to conserve financial resources for the future requirement of the fund, your directors do not recommend any dividend during the year under review.

4. PROSPECTS:

World over Capital Goods Industry is in a very bad shape. Almost all projects are at standstill or on slow down. Major players in the market are facing tough time. Good monsoon, increased government expenditure as announced in the Budget Document, control over inflation, reduction in interest rate, global revival etc. are very crucial for pick up in Capital Expenditure Programme. Even in this environment, your company is fortunate enough to have healthy order book. Your directors are confident enough to improve the performance of the company during the year.

5. VOLUNTARY DELISTING OF EQUITY SHARES OF THE COMPANY FROM THE AHMEDABAD STOCK EXCHANGE LIMITED (ASEL):

During the year under report your company was delisted from the Ahmedabad Stock Exchange on successful completion of Bid Process. The Company has received a letter from Ahmedabad Stock Exchange intimating delisting of Shares of the Company with effect from 17th June 2015. The Exit offer has opened on 18th June 2015 and is open up to 17th June 2016.

6. EXTRACT OF ANNUAL RETURN AS PER SECTION 92 (3) OF COMPANIES ACT 2013:

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure -2".

7. BOARD MEETINGS HELD DURING THE YEAR:

Sr No.	Date on which board Meetings were held	Total Strength of the Board	No of Directors Present
1	08/05/2015	4	4
2	05/08/2015	4	3
3	26/10/2015	4	4
4	27/01/2016	4	4

ATTENDANCE OF DIRECTORS AT BOARD MEETINGS:

Name of Directors	Attendance at the Board meetings Held on			
	08/05/2015	05/08/2015	26/10/2015	27/01/2016
Mr.Samvegbhai A Lalbhai	Present	Present	Present	Present
Mr. Shreyas C Sheth	Present	Present	Present	Present
Mr. Pankaj S Sheth	Present	Absent	Present	Present
Mr.Chandrakant Parikh	Present	Present	Present	Present

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

- In terms of Section 152 of the Companies Act, 2013, Mr. Samveg A. Lalbhai is liable to retire by rotation at forthcoming AGM and being eligible offer himself for re-appointment.
- The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.
- All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164 of the Companies Act, 2013.
- Independent Directors are non-executive directors. The maximum tenure of the Independent Directors is in Compliance with the Companies Act, 2013. All Independent Directors have confirmed that they meet the criteria as mentioned in Section 149 of the Companies Act, 2013.

9. MATTERS AS PRESCRIBED UNDER SUB-SECTIONS (1) AND (3) OF SECTION 178 OF THE COMPANIES ACT 2013:

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub section (3) of Section 178 of the Companies Act, 2013, adopted by the Committee. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

10. STATUTORY AUDITORS:

M/s. Sorab S. Engineer & Co., Chartered Accountant, Ismail Building, 381, Dr. D. Naoroji Road, Fort, Mumbai-400001, who retire at the ensuing Annual General Meeting of the Company are eligible for reappointment. They have confirmed their eligibility under section 141 of the Companies Act, 2013 and the Rules framed there under for reappointment as Auditors of the Company.

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, 2013.

11. COST AUDITOR:

As per Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. In this connection, the Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of M/s Maulin Shah & Associates as the cost auditors of the Company for the Financial Year 2016-2017.

12. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has an internal Control System, commensurate with the size, scale and complexity of its operation. The company has introduced system of self certification

by all the process owners to ensure that internal controls over all the key business process are operative.

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

Details of Loans, Guarantees and Investments under the provisions of Section 186 of the Companies Act, 2013 are disclosed in notes forming part of accounts.

14. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has a vigil mechanism named whistle Blower policy to deal with instance of fraud and mismanagement, if any. The details of the Whistle Blower Policy is posted on the website of the Company.

15. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under.

During the financial year 2015-16, the Company has not received any complaints on sexual harassment and hence no complaints remain pending as of 31st March, 2016.

16. AUDIT COMMITTEE:

The composition and functions of the Audit Committee of the Board of Directors of the Company is as per the provisions of the Companies Act, 2013.

17. RELATED PARTY TRANSACTIONS:

All the related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with promoters, directors, key Managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

18. MATERIAL CHANGES:

There is no any material change in the business of the Company during the year under review. There are no material changes and commitments, that would affect financial position of the company from the end of the financial year of the company to which the financial statements relate and the date of the directors report.

19. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

A statement in accordance with the Companies (Disclosure of Particulars in the report of Board of Directors under section 134 (3)(m) of the Companies Act, 2013 read with

Rule, 8 of the Companies (Account) Rules, 2014 is annexed hereto & forms part of the Report.

20. CORPORATE SOCIAL RESPONSIBILITY POLICY:

Arvind Limited – Holding Company undertakes Corporate Social Responsibility (CSR) initiatives through Strategic Help Alliance for Relief to Distressed Area (SHARDA) Trust and Narottam Lalbhai Rural Development Fund (NLRDF). SHARDA & NLRDF have been active in improving the quality of life of the urban poor & rural poor respectively. As a subsidiary of Arvind your Company is also participating in the Group CSR Initiative.

21. DIRECTORS' RESPONSIBILITY STATEMENT:

- A) that in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- B) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- C) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- D) that the annual financial statements have been prepared on a going concern basis.
- E) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- F) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

22. PARTICULARS OF EMPLOYEES:

Your directors are pleased to record their appreciation of the services rendered by these employees and the other members of the 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 such no information is required to be given pursuant of section 197 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

23.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.

24. ACKNOWLEDGMENT:

The Directors wish to place on record their appreciation to the devoted services of the workers, staff and the officers who largely contributed to the efficient management of the Company. The Directors place on record their appreciation for the continued support of the shareholders of the Company. The Directors also take this opportunity to express their grateful appreciation for assistance and cooperation received from the bankers, vendors and stakeholders including financial institutions, Central and State Government authorities, other business associates, who have extended their valuable sustained support and encouragement during the year.

**BY ORDER OF THE BOARD OF DIRECTORS
FOR, THE ANUP ENGINEERING LIMITED**

**DATE: 9/05/2016
PLACE: AHMEDABAD**


**SAMVEGBHAI A LALBHAI
CHAIRMAN
DIN: - 00009278**

ANNEXURE-1 TO DIRECTORS' REPORT
(Under Section 134(3)(m) of the Companies Act, 2013)

[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 optimize the use of energy will continue.

FORM A

[B]. POWER AND FUEL CONSUMPTION:

	2015-2016	2014-2015
1. (a) Electricity :		
Unit	1809025	1798325
Total Amount (Rs.)	13577209	13163177
Rate/Unit (Rs.)	7.51	7.32
(b) Own Generation :		
(Through Diesel Generator)		
Units	Nil	9588
Total Amount (Rs.)	Nil	201960
Rate/Unit (Rs.)	Nil	21.06
2. Furnace Gas/Oil:		
Qty (MMBTU/Liters)	1345.40	734.09
Cost	1426528	990795
Rate per (MMBTU)	1060.30	1349.69

FORM B

[C]. 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 recognized by the Department of Science and Technology. It is engaged in process improvement,

c) Future plan of action:

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

d) R and D Expenditure:

	2015-2016	2014-2015
Capital	----	----
Recurring	<u>82.79</u>	<u>80.78</u>
Total	82.79	80.78
Total R and D Expenditure as % of Total Trun over	0.00	0.00

Technology absorption, adaptations and innovation:

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

[D]. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

ANNEXURE-___ TO THE DIRECTORS' REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2016

Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014

I. Registration and other details:

CIN	U99999GJ1962PLC001170
Registration date	14 th Nov, 1962
Name of the Company	THE ANUP ENGINEERING LIMITED
Category / Sub-Category of the Company	Public Limited Company
Address of the registered office and contact details	Behine 66, KV electric Sub Station, Odhav Road, Ahmedabad-382415. Tel No. 079-22870622
Whether listed company (Yes/No)	No
Name, address and contact details of Registrar and Transfer Agent, if any	M/s. Sharepro Services (INDIA) Pvt. Ltd. 416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad - 380 006

II. Principal of business activities of the company:

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Pressure Vessels, Reactors	841989.01	93.82
2.	Cantrifuges	842119.02 842119.07	2.57
3.	Chlorine Containers	731100.09	0.18

III. Particulars of holding, Subsidiary and Associate Companies:

Sr. no	Name and address of the company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares Held	Applicable Section
1.	Arvind Limited	L17119GJ1931PLC000093	Holding	91.64	2(87)

IV. Shareholding pattern (Equity share capital breakup as % of Total Equity):

a) Mutual Funds									
b) Banks / Fi	0	785	785	0.23	0	785	785	0.23	0
c) Central Govt.									
d) State Govt.									
e) Venture Capital Fund									
f) Insurance Corporation	9334	0	9334	2.75	9334	0	9334	2.75	0
g) FIIS									
h) Foreign Venture Capital Funds									
i) Others (Specify)									
i-i) Foreign Banks /FCW									
Sub Total B(1):-	9334	785	10119	2.98	9334	785	10119	2.98	0
(2)Non Institutions									
a) Bodies Corporate s	4331	850	5181	1.52	3297	850	4147	1.22	-0.30
i. Indian									
ii. Overseas									
b) Individual s									
i. Individual Shareholders holding nominal	4687	6636	11323	3.33	1855	6041	7896	2.32	-1.01

	share capital upto 1 Lacs									
	ii. Individuals Shareholders holding nominal share capital in excess of 1 Lakhs	3729	0	3729	1.10	0	0	0	0	-1.01
	c) Others (Specify)									
	c-i NRIs/OCBs									
	c-ii Trusts									
	c-iii Clearing Members									
	c-iv Foreign Portfolio-Corporate									
	SUB TOTAL (B)(2)	12747	7486	20233	5.95	5152	6891	12043	3.54	-2.41
	Total Public Shareholding (B)=(B)(1) + (B)(2)	22081	8271	31209	8.93	14486	7676	22162	6.52	-2.41
	C. Shares held by custodian for GDRs & ADRs									
	GRAND TOTAL (A+B+C)	328164	11836	340000	100	328784	11216	340000	100	0

(ii) Shareholding of Promoters & Promoter Group:

Sl. No.	SHARE HOLDER'S NAME	SHARE HOLDING AT THE BEGNING OF THE YEAR			SHARE HOLDING AT THE END OF THE YEAR			% CHANG E DURIN G THE YEAR
		NO OF SHARE S	% OF TOTAL SHARES OF THE COMPA NY	%of Shares Pledge d/ encum bered to total shares	NO OF SHARES	% OF TOTAL SHARE S OF THE COMPA NY	%of Shares Pledged/ encumbe red to total shares	
1	ARVIND LIMITED	300000	88.24	0.00	311565	91.64	0	
2	ARUN P SHETH	455	0.13	0	455	0.13	0	
3	DARSHAN B SHETH	2465	0.72	0	0	0	0	
4.	SHRI SHRIPAL CHINUBHAI SHETH	1261	0.37	0	1261	0.37	0	
5.	AYOJAN HOLDINGS PVT. LTD	625	0.18	0	625	0.18	0	
6.	SAROJBEN B SHETH	1018	0.30	0	133	0.04	0	
7.	SHETH NAROTTAMB HAI LALBHAI	569	0.17	0	569	0.17	0	
8.	AURA SECURITIES PVT. LTD	439	0.13	0	439	0.13	0	
9.	KUM PALLAVI CHINUBHAI SHETH	400	0.12	0	400	0.12	0	
10.	SHRI SHREYAS CHINUBHAI SHETH	401	0.12	0	401	0.12	0	

11.	SHRENIKBHAI KASTURBHAI LALBHAI	629	0.18	0	0	0	0	
12.	AEGIS INVESTMENT S LTD	306	0.09	0	306	0.09	0	
13.	SAMVEGBHAI ARVINDBHAI	382	0.11	0	382	0.11	0	
14.	SNEHALBEN SAMVEGBHAI LALBHAI	250	0.07	0	250	0.07	0	
15.	KALPANABEN SHRIPALBHAI MORAKHIA	176	0.05	0	176	0.05	0	
16.	KULIN SANJAYBHAI	70	0.02	0	70	0.02	0	
17.	HANSABEN NIRANJANBHAI LALBHAI	88	0.03	0	88	0.03	0	
18.	SMT. VIMLA SIDDHARTH	36	0.01	0	36	0.01	0	
19.	MRS.INDRABEN PRATAPSIH SHETH	35	0.01	0	35	0.01	0	
20.	SMT. KANTABEN PRATAPSIH	25	0.01	0	0	0	0	
21.	AAGAM HOLDING PVT. LTD	18	0.01	0	18	0.01	0	
22.	RAJIVBHAI CHINUBHAI LALBHAI	0	0	0	400	0.12	0	
23.	SANJAYBHAI SHRENIKBHAI LALBHAI	0	0	0	50	0.01	0	
24.	JAYSHREEBEN SANJAYBHAI LALBHAI	0	0	0	179	0.05	0	
	TOTAL	309648	91.07	0	317838	93.48	0	

(iii) Shareholding pattern of top 10 shareholders (other than Directors Promoters & Holders of ADRs and GDRs.

Sl. No.	Top 10 Shareholders	SHARE HOLDING AT THE BEGNING OF THE YEAR		SHARE HOLDING AT THE END OF THE YEAR	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	HOJI CHELARAM CHAUDHARY	250	0.07	250	0.07
2	SMT.VINA SHAILESH LIMDI	193	0.06	193	0.06
3.	MOHAMMED FAIQ ASRAR	140	0.04	140	0.04
4.	PAULOMI RAJIVBHAI	134	0.03	134	0.03
6.	AJAYBHAI CHIMANBHAI	125	0.03	125	0.03
7.	SMT TILOTTMA ARVINDKUMAR SHETH	124	0.03	124	0.03
8.	VINAY J.PARIKH	116	0.03	116	0.03
9	CHETAN J. PARIKH	116	0.03	116	0.03
10	MRS.ANJANA PRAVIN JHAVERI	106	0.03	106	0.03
11	NIRMAL V JAIN	100	0.03	100	0.03

(V) Shareholding of Directors and Key managerial Personnel:

Sl. No	For Each of the Directors and KMP	Share Holding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No of Shares	% of Total Shares of the Company
1.	Mr. Samveg A. Lalbhai-Chairman At the beginning of the year	382	0.11	382	0.11
	At the end of the year	449	0.13	449	0.13
2.	Mr. Shreyas C. Sheth-Director At the beginning of the year	401	0.12	401	0.12
	At the end of the year	401	0.12	401	0.12

V. Indebtedness:

Indebtedness of the Company including interest outstanding / accrued but not due for payment:

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtdness at the begning of the financial year				
i) Principal Amount	-683.67	85.02	NIL	-598.65
ii) Interest Due but Not Paid	0	NIL	NIL	0
iii) Interest Accrued but not due	0	NIL	NIL	0
Total I + ii = iii	-683.67	NIL	NIL	-598.65
Change in indebtedness during the financial year				
i) Addition	21985.79	1500.00	NIL	23485.79
ii) Reduction	21270.93	NIL	NIL	21270.93
Net Change	714.86	1500.00	NIL	2214.86
Indebtedness at the end of the financial year				
i) Principal Amount	31.19	1585.02	NIL	1616.21
ii) Interest Due but Not Paid	0	NIL	NIL	0
iii) Interest Accrued but not due	0	NIL	NIL	0
Total I + ii = iii	31.19	1585.02	NIL	1616.21

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

"NIL"

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE ANUP ENGINEERING LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **The Anup Engineering Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Handwritten signature/initials

Handwritten mark

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Sh. G.

B

SORAB S. ENGINEER & CO. (Regd.)

- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 18 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Sorab S. Engineer & Co.**
Firm's Registration Number 110417W
Chartered Accountants



CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
May 9, 2016

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Re: The Anup Engineering Limited

Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. As explained to us, the discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the Company, and the same have been properly dealt with.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, requirement of clauses (iii,a), (iii,b) and (iii,c) of paragraph 3 of the order are not applicable.
- (iv) The Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 and 186 of the Act. Consequently, requirements of clause (iv) of paragraph 3 of the order are not applicable.
- (v) The Company has not accepted deposits during the year.
- (vi) The provisions of maintenance of cost records specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 mentioned in clause (vi) of paragraph 3 of the order are not applicable.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

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SORAB S. ENGINEER & CO. (Regd.)

- (b) According to the information and explanations given to us, there are no amounts payable as on March 31, 2016 on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, government or dues to debenture holders.
- (ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments). To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loans obtained during the year were, *prima facie*, applied by the Company for the purpose for which they were obtained, other than temporary deployment pending application.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not paid any managerial remuneration during the year under review. Consequently, requirements of Clause (xi) of paragraph 3 of the order are not applicable.
- (xii) The Company is not a Nidhi Company. Consequently, requirements of clause (xii) of paragraph 3 of the order are not applicable.
- (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently, requirements of clause (xiv) of paragraph 3 of the order are not applicable.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

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SORAB S. ENGINEER & CO. (Regd.)

- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the Company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934.

For **Sorab S. Engineer & Co.**
Firm's Registration Number 110417W
Chartered Accountants

Chokshi Shreyas B.

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
May 9, 2016

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF THE ANUP ENGINEERING LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of The Anup Engineering Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **Sorab S. Engineer & Co.**

Chartered Accountants

Firm Registration No. 110417W



CA. Chokshi Shreyas B.

Partner

Membership No. 100892

Ahmedabad

May 9, 2016

The Anup Engineering Limited

Balance Sheet

Amount in Rs.

	Note	As at	
		March 31,2016	March 31,2015
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	34,000,000	34,000,000
Reserves and Surplus	4	876,823,635	636,688,621
Non-current liabilities			
Long Term Borrowings	5	-	318,908
Deferred Tax Liabilities (Net)	6	29,027,506	28,700,251
Long Term Provision	7	5,087,163	3,483,721
Current liabilities			
Short Term Borrowings	8	161,621,218	8,502,509
Trade Payables	9	149,270,089	77,231,549
Other Current Liabilities	10	74,072,318	68,239,189
Short Term Provisions	7	1,109,568	2,758,525
TOTAL		1,331,011,497	859,923,273
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	11	207,411,384	207,071,609
Intangible Assets	12	2,273,097	2,212,205
Capital work in progress		-	-
Long Term Loans and Advances	13	7,338,393	2,345,033
Current assets			
Inventories	14	137,608,193	156,830,510
Trade Receivables	15	446,225,557	361,135,390
Cash and Bank Balances	16	45,027,703	97,502,370
Short Term Loans and Advances	13	481,310,357	29,343,117
Other Current Assets	17	3,816,813	3,483,039
TOTAL		1,331,011,497	859,923,273
Significant Accounting Policies	2		

As per our report of even date attached
For **Sorab S. Engineer & Co.**
Firm Registration No. 110417W
Chartered Accountants

Chokshi Shreyas B.

CA. Chokshi Shreyas B.
Partner
Membership No.100892

Ahmedabad

9/5/16

Vamun K. Kulkarni
Chairman

Shreyas Chokshi
Director

Pankaj S. Sheth

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The Anup Engineering Limited

Statement of Profit and Loss

Amount in Rs.

	Note	Year Ended	
		March 31, 2016	March 31, 2015
Revenue from operations (Gross)	19	1,445,305,104	1,455,294,995
Less: Excise duty		108,113,948	94,369,340
		1,337,191,156	1,360,925,655
Other Income	20	30,501,330	8,224,525
Total Revenue		1,367,692,486	1,369,150,180
Expenses:			
Cost of materials consumed	21	583,773,872	693,212,315
Changes in inventories of finished goods, work-in-progress	22	16,268,573	55,398,583
Employee benefits expense	23	90,169,188	78,857,986
Finance costs	24	3,380,891	13,123,740
Depreciation and amortization expense	25	23,278,134	23,812,735
Other expenses	26	276,662,493	229,638,761
Total expenses		993,533,151	1,094,044,120
Profit before exceptional and extraordinary items and tax		374,159,335	275,106,060
Exceptional items		-	-
Profit before extraordinary items and tax		374,159,335	275,106,060
Extraordinary Items		-	-
Profit before tax		374,159,335	275,106,060
Tax expense:			
Current tax/Current tax(MAT)		132,500,000	94,100,000
MAT Credit Entitlement		-	-
Deferred tax		327,255	(490,615)
Profit for the year		241,332,080	181,496,675
Less: Expenses relating to earlier years		1,197,066	10,861
Profit after Tax		240,135,014	181,485,814
Add: Excess Provision for Taxation written back		-	-
Profit available to Equity Shareholders		240,135,014	181,485,814
Earnings per equity share			
(Nominal Value per Share Rs. 100/-(Previous year Rs. 100/-):			
Basic		706.28	533.78
Diluted		706.28	533.78
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
For **Sorab S. Engineer & Co.**
Firm Registration No. 110417W
Chartered Accountants

Chokshi Shreyas B.

CA. Chokshi Shreyas B.
Partner
Membership No.100892

Ahmedabad

9/5/2016

Vammy Kallu
Chairman

Shreyas Chokshi
Director

Pankaj S. Smith

The Anup Engineering Limited

Cash Flow Statement

Amount in Rs.

Particulars	Year ended	
	March 31, 2016	March 31, 2015
A Cash Flow From Operating Activities		
Profit Before taxation	374,159,335	275,106,060
Adjustments for:		
Depreciation /Amortization	23,278,134	23,812,735
Interest Income	(18,793,837)	(5,397,349)
Finance cost	3,380,891	13,123,740
Sundry credit balance apportioned	(2,870,774)	(500,573)
Sundry debit balance written off	219,422	93,637
(Surplus)/Loss on Sale of Tangible assets	248,675	148,498
	5,462,511	31,280,688
Operating Profit before Working Capital Changes	379,621,846	306,386,748
Working Capital Changes:		
Changes in Inventories	19,222,317	227,519,953
Changes in provisions	2,607,098	459,495
Changes in trade payables	74,909,314	(89,751,888)
Changes in other current liabilities	5,909,482	(111,746,972)
Changes in long term loans and advances	(4,277,507)	36,348
Changes in trade receivables	(85,309,590)	96,708,724
Changes in short term loans and advances	8,149,020	15,208,034
Changes in other Current Assets	(333,774)	2,767,747
Changes in other bank balances	(16,377,288)	14,000,000
	4,499,072	155,201,441
Net Changes in Working Capital	384,120,918	461,588,189
Cash Generated from Operations	(137,065,531)	(129,494,898)
Direct Taxes paid (Net of Income Tax refund)		
Net Cash from Operating Activities	247,055,387	332,093,291
B Cash Flow from Investing Activities		
Purchase of Fixed assets	(24,085,462)	(22,028,534)
Sale of tangible assets	157,986	416,448
Loan Given	(460,116,260)	-
Interest Income	18,793,837	5,397,349
Net cash flow from Investing Activities .	(465,249,899)	(16,214,737)
C Cash Flow from Financing Activities		
Changes in long term Borrowings	(395,261)	395,261
Changes in short term borrowings	153,118,709	(234,370,744)
Borrowing Cost Paid	(3,380,891)	(13,123,740)
Net Cash flow from Financing Activities	149,342,557	(247,099,223)
Net Increase/(Decrease) in cash & cash equivalents	(68,851,955)	68,779,331
Cash & Cash equivalent at the beginning of the period	69,052,370	273,039
Cash & Cash equivalent at the end of the period	200,415	69,052,370

Particulars	As at	
	March 31, 2016	March 31, 2015
Cash and cash equivalents comprise of: (Note 16)		
Cash on Hand	64,045	196,472
Foreign Currency on Hand	58,100	15,192
Balances with Banks*	78,270	68,840,706
Total	200,415	69,052,370
* Includes the following balance which is not available for use by the Company Unpaid dividend account	78,270	78,270

As per our report of even date attached
For **Sorab S. Engineer & Co.**
Firm. Registration No. 110417W
Chartered Accountants

CA. Chokshi Shreyas B.
Partner
Ahmedabad

9/5/2016

Vammy Lalthe
Chairman

Shreyas Chokshi
Director
Pankaj S. Sutar

THE ANUP ENGINEERING LIMITED

Notes to the Financial Statements

3 Share Capital

Amount in Rs.	
As at	
March 31,2016	March 31,2015

Authorised 500,000 Equity Shares (Previous Year 500,000) Par Value of Rs.100/- per share	50,000,000	50,000,000
	50,000,000	50,000,000
Issued 340,000 Equity Shares (Previous Year 340,000) Par Value of Rs. 100/- per share	34,000,000	34,000,000
	34,000,000	34,000,000
Subscribed and fully paid up 340,000 Equity Shares (Previous Year 340,000) Par Value of Rs.100/- per share fully paid up	34,000,000	34,000,000
	34,000,000	34,000,000
TOTAL	34,000,000	34,000,000

a Reconciliation of No. of Shares

Particulars	As At			
	March 31,2016		March 31,2015	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
Balance at the beginning of the year	340,000	34,000,000	340,000	34,000,000
Balance at the end of the year	340,000	34,000,000	340,000	34,000,000

b Rights, Preferences and Restrictions attached to Equity Shares

The Company has one class of shares referred to as equity shares having a par value of Rs. 100 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c Shares held by Holding Company

Particulars	As at	
	March 31,2016	March 31,2015
Number of Shares held by Holding Company - Arvind Limited	315,912*	300,000

d Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at	
	March 31,2016	March 31,2015
Holding Company - Arvind Limited	315,912* 92.92%	3,00,000 88.24%

* The Company is in the process to transfer 4,347 shares acquired by the Holding Company.

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THE ANUP ENGINEERING LIMITED

Notes to the Financial Statements

4 Reserves and Surplus

Amount in Rs.	
As at	
March 31,2016	March 31,2015

Securities Premium Account		
Balance as per last financial statements	1,920	1,920
Balance at the end of the year	1,920	1,920
GENERAL RESERVE		
Balance as per last financial statements	7,001,075	7,001,075
Balance at the end of the year	7,001,075	7,001,075
Surplus in Statement of Profit and Loss		
Balance as per last financial statements	629,685,626	449,651,011
Less: Adjustment of Depreciation Charge (Net of Deferred Tax of Rs. 747,254/-) (Note 35)	-	(1,451,199)
Add : Profit for the year	240,135,014	181,485,814
Balance at the end of the year	869,820,640	629,685,626
TOTAL	876,823,635	636,688,621

5 Long Term Borrowings

Amount in Rs.

	Non- Current portion		Current Maturities	
	As At		As At	
	March 31,2016	March 31,2015	March 31,2016	March 31,2015
Secured				
Term Loans :				
From Banks	-	318,908	-	76,353
	-	318,908	-	76,353
Amount disclosed under the head "Other Current Liabilities" (Note 10)	-	-	-	76,353
TOTAL	-	318,908	-	-

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THE ANUP ENGINEERING LIMITED

Notes to the Financial Statements

6 Deferred Tax Liabilities (Net)

	Amount in Rs.	
	As at	
	Mar 31,2016	Mar 31,2015
Deferred Tax Liability In respect of Fixed Assets	31,272,368	29,958,965
Total (a)	31,272,368	29,958,965
Deferred Tax Asset In respect of Expenditure allowable on payment basis	2,244,862	1,258,714
Total (b)	2,244,862	1,258,714
Net Liability (a-b)	29,027,506	28,700,251

7 Provisions

	Long Term		Short Term	
	As at		As at	
	Mar 31,2016	Mar 31,2015	Mar 31,2016	Mar 31,2015
Provision for Income tax (Net of Advance for Previous Year Rs. 91,447,387/-)			-	2,652,613
Provision for Wealth Tax			-	7,041
Provision for employee benefits Leave Encashment	5,087,163	3,483,721	1,109,568	98,871
TOTAL	5,087,163	3,483,721	1,109,568	2,758,525

8 Short Term Borrowings

	Amount in Rs.	
	As at	
	Mar 31,2016	Mar 31,2015
Unsecured		
Working Capital Loans repayable on demand From Banks	153,118,709	-
Interest Free Intercorporate Deposits From Fellow subsidiary company	8,502,509	8,502,509
TOTAL	161,621,218	8,502,509

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THE ANUP ENGINEERING LIMITED

Notes to the Financial Statements

9 Trade Payables

	Amount in Rs.	
	As at	
	Mar 31,2016	Mar 31,2015
(i) Total outstanding dues of micro enterprises and small enterprises (Note a)		
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	149,270,089	77,231,549
TOTAL	149,270,089	77,231,549

a The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:

- Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;
- Interest paid during the year;
- Amount of payment made to the supplier beyond the appointed day during accounting year;
- Interest due and payable for the period of delay in making payment;
- Interest accrued and unpaid at the end of the accounting year; and
- Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise.

have not been given.

The Company is making efforts to get the confirmations from the suppliers as regard to their status under the said Act.

10 Other Current Liabilities

	Amount in Rs.	
	As at	
	Mar 31,2016	Mar 31,2015
Current maturities of long-term borrowings (Note 5)	-	76,353
Advance From Customers	70,969,339	60,614,543
Investor Education and Protection Fund shall be credited by the following amount namely : @		
Unpaid dividends	78,270	78,270
Security Deposit	400,000	100,000
Statutory Dues	1,583,424	5,956,564
Payable in respect of Employee dues	374,801	978,896
Others	666,484	434,563
TOTAL	74,072,318	68,239,189

@ There are no amounts due for payment to Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 (1 of 1956) as at the year end.

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THE ANUP ENGINEERING LIMITED

Notes to the Financial Statements

11 Tangible Assets

Particular	GROSS BLOCK						DEPRECIATION				NET BLOCK		
	As on 01.04.2015	Additions	Disposals	As on 31.03.2016	As on 01.04.2015	Adjustment (Note 35)	For the year	Deductions	As on 31.03.2016	As on 31.03.2016	As on 31.03.2015		
Leasehold Land	138,742	-	1,195	137,547	-	-	-	-	-	137,547	138,742		
Own Assets													
Freehold Land	217,000	-	-	217,000	-	-	-	-	-	217,000	217,000		
Buildings	91,722,623	-	-	91,722,623	24,018,472	-	2,572,807	-	26,591,279	65,131,344	67,704,151		
Plant and Equipment	254,734,734	15,831,165	-	270,565,899	125,254,665	-	16,521,575	-	141,776,240	128,789,659	129,480,069		
Computers	5,497,205	531,093	-	6,028,298	4,677,534	-	379,555	-	5,057,089	971,209	819,671		
Furniture and Fixtures	8,645,106	1,127,233	-	9,772,339	4,979,473	-	712,006	-	5,691,479	4,080,860	3,665,633		
Office Equipment	4,321,696	1,211,682	-	5,533,378	3,162,204	-	457,293	-	3,619,497	1,913,881	1,159,492		
Vehicles	6,490,020	3,510,355	1,009,224	8,991,151	2,603,169	-	820,661	602,563	2,821,267	6,169,884	3,886,851		
TOTAL	371,767,126	22,211,528	1,010,419	392,968,235	164,695,517	-	21,463,897	602,563	185,556,851	207,411,384	207,071,609		
Previous Year	350,722,527	22,028,534	983,935	371,767,126	140,608,624	2,198,453	22,306,234	417,794	164,695,517	207,071,609	210,113,903		

a Amortization of Leasehold Land is shown as disposals.

12 Intangible Assets

Particular	GROSS BLOCK				AMORTISATION				NET BLOCK		
	As on 01.04.2015	Additions	Disposals	As on 31.03.2016	As on 01.04.2015	For the year	Deductions	As on 31.03.2016	As on 31.03.2016	As on 31.03.2015	
Own Assets											
Computer Software	8,939,112	1,873,934	-	10,813,046	7,863,194	1,399,846	-	9,263,040	1,550,006	1,075,918	
Technical Knowhow	2,065,978	-	-	2,065,978	929,691	413,196	-	1,342,887	723,091	1,136,287	
Drawings	100,000	-	-	100,000	100,000	-	-	100,000	-	-	
TOTAL	11,105,090	1,873,934	-	12,979,024	8,892,885	1,813,042	-	10,705,927	2,273,097	2,212,205	
Previous Year	11,105,090	-	-	11,105,090	7,387,579	1,505,306	-	8,892,885	2,212,205	3,717,511	

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THE ANUP ENGINEERING LIMITED

Notes to the Financial Statements

13 Long Term Loans and Advances
(Unsecured, Considered good unless otherwise stated)

	Long Term		Short Term	
	As at		As at	
	Mar 31,2016	Mar 31,2015	Mar 31,2016	Mar 31, 2015
Security Deposits	2,082,200	2,082,200	-	-
Loan to Related	-	-	460,116,260	-
Advance Income Tax Paid (Net of Provision Rs. 131,310,000/-, Previous Year Rs. Nil)	715,852	-	-	-
Prepaid Expenses	-	-	2,407,942	2,682,976
Advances recoverable in cash or kind	4,540,341	262,833	18,786,155	26,660,141
TOTAL	7,338,393	2,345,033	481,310,357	29,343,117

14 Inventories

	Amount in Rs.	
	As at	
	Mar 31,2016	Mar 31,2015
Raw Materials	36,664,841	42,281,409
Work-in-Progress	87,718,544	103,987,117
Finished Goods	727,362	727,362
Stores and Spares	12,497,446	9,834,622
TOTAL	137,608,193	156,830,510

a Details of Inventory

	Amount in Rs.	
	As at	
	Mar 31,2016	Mar 31,2015
Raw Materials		
Metal Sheets and Plates	15,148,241	16,339,338
Metal Pipes and Tubes	4,165,595	4,124,595
Structured Materials	985,054	919,551
Others	16,365,951	20,897,925
TOTAL	36,664,841	42,281,409
Work-in-Progress		
Chemical and Pharmaceutical Machineries	81,359,270	89,028,172
Industrial Centrifuges	6,359,274	14,958,945
TOTAL	87,718,544	103,987,117
Finished Goods		
Chemical and Pharmaceutical Machineries	587,794	587,794
Industrial Centrifuges	139,569	139,569
TOTAL	727,363	727,363

15 Trade Receivables
(Unsecured, considered good unless otherwise stated)

	Amount in Rs.	
	As at	
	Mar 31,2016	Mar 31,2015
Outstanding for a period exceeding six months from the date they are due for payment	25,130,744	30,468,492
Others	421,094,813	330,666,898
TOTAL	446,225,557	361,135,390

THE ANUP ENGINEERING LIMITED

Notes to the Financial Statements

16 Cash and Bank Balances

	Amount in Rs.	
	As at	
	Mar 31,2016	Mar 31,2015
Cash and Cash Equivalents:		
Cash on Hand	64,045	196,472
Foreign Currency on Hand	58,100	15,192
Balances with Banks		
In Cash Credit Account	-	68,762,436
In Unpaid Dividend Accounts	78,270	78,270
	78,270	68,840,706
	200,415	69,052,370
Other Bank Balances		
Deposits held as Margin Money (Under lien with Bank against Bank Guarantee)	44,827,288	28,450,000
	44,827,288	28,450,000
TOTAL	45,027,703	97,502,370

17 Other Current Assets

	Amount in Rs.	
	As at	
	Mar 31,2016	Mar 31,2015
Export Incentive Receivable	3,816,813	3,483,039
TOTAL	3,816,813	3,483,039

18 Contingent Liabilities

(to the extent not provided for)

	Amount in Rs.	
	As at	
	Mar 31,2016	Mar 31,2015
Claims against the company not acknowledged as debt	-	-
Guarantees given by Banks on behalf of Company (Note a)	597,536,305	411,465,725
Disputed Demands in respect of		
Excise Duty	-	-
Income Tax	-	-
TOTAL	597,536,305	411,465,725

- a Guarantees given by Company's Bankers are secured by extension of hypothecation charge on Raw-materials, Finished Goods, Work-in-progress, etc. and against charge on Fixed Assets of the Company.

Capital and Other Commitments

	Amount in Rs.	
	As at	
	Mar 31,2016	Mar 31,2015
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	8,933,500	-
Other Commitments	-	-

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The Anup Engineering Limited

Notes to the Financial Statements

19 Revenue from Operations

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Sale of products :		
Finished Goods	1,427,427,408	1,467,873,625
Less: Late Delivery Charges	9,044,671	39,430,622
	1,418,382,737	1,428,443,003
Other operating revenues		
Job Work Charges	10,301,664	8,554,747
Scrap Sales	10,653,862	15,058,197
Testing Analysis Income	1,960,450	1,084,041
Export Incentive	4,006,391	2,155,007
	26,922,367	26,851,992
Total	1,445,305,104	1,455,294,995

a Details of Sales/Services

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Chemical and Pharmaceutical Machineries	1,379,849,864	1,407,107,278
Industrial Centrifuges	37,318,750	51,132,643
Others	10,258,794	9,633,704
	1,427,427,408	1,467,873,625
Less : Late delivery charges	9,044,671	39,430,622
Total	1,418,382,737	1,428,443,003

20 Other Income

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Interest Income from		
Bank Deposits	2,930,370	2,787,279
Others	21,724,207	2,610,070
Sundry Credit balance apportioned	2,870,774	500,573
Provision no longer required	206,917	2,277,714
Exchange Rate Difference(Net)	2,663,424	-
Others	105,638	48,889
Total	30,501,330	8,224,525

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The Anup Engineering Limited

Notes to the Financial Statements

21 Cost of materials consumed

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Raw Materials including Packing Materials		
Stock at the commencement	42,281,409	123,064,865
Purchases	578,157,304	612,428,859
	620,438,713	735,493,724
Less: Stock at Close	36,664,841	42,281,409
Total	583,773,872	693,212,315

a Details of Consumption

(i) Consumption of Raw Materials

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Metal Sheets and Plates	252,333,121	234,522,630
Metal Pipes and Tubes	133,650,020	161,299,993
Structural Materials	15,496,732	8,353,456
Welding Electrodes	30,069,293	25,507,131
Components	152,224,706	263,529,105
Total	583,773,872	693,212,315

(ii) Value of imported and indigenous materials consumed

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Imported	91,225,472	201,656,593
	15.63%	29.09%
Indigenous	492,548,400	491,555,722
	84.37%	70.91%
Total	583,773,872	693,212,315
	100%	100%

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The Anup Engineering Limited

Notes to the Financial Statements

22 Changes in Inventories of Finished Goods & Work-in-progress

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
(Increase)/Decrease in stocks		
Stock at the end of the year		
Finished Goods	727,362	727,362
Work in Progress	87,718,544	103,987,117
	88,445,906	104,714,479
Stock at the beginning of the year		
Finished Goods	727,362	5,627,254
Work in Progress	103,987,117	154,485,808
	104,714,479	160,113,062
(Increase)/Decrease in stocks	16,268,573	55,398,583

23 Employee Benefits Expense

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Salaries and Wages	82,681,547	70,646,785
Contribution to Provident Fund and Other Funds	4,062,566	4,751,929
Staff welfare expenses	3,425,075	3,459,272
Total	90,169,188	78,857,986

24 Finance Costs

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Interest		
On Term Loans	57,178	28,829
On Cash Credit Facilities	199,335	6,158,703
On Shortfall in Payment of Advance Income Tax	1,650,910	2,984,659
Others	48,203	2,834,798
Other borrowing cost	1,425,265	1,116,746
Total	3,380,891	13,123,740

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The Anup Engineering Limited

Notes to the Financial Statements

25 Depreciation / Amortization Expense

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Amortisation of leasehold land	1,195	1,195
Depreciation on Tangible assets	21,463,897	22,306,234
Amortization on Intangible assets	1,813,042	1,505,306
Total	23,278,134	23,812,735

26 Other Expenses

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Stores and Spares Consumed	32,749,011	34,627,339
Power and Fuel	12,091,230	11,756,849
Job Work Charges	136,235,439	112,307,195
Rent	1,392,601	2,101,922
Rates and Taxes	1,905,480	948,483
Postage and Courier Charges	147,753	256,749
Computer expenses	886,587	772,048
Drawing and Drafting Charges	772,501	817,800
Security Charges	1,652,174	1,502,697
Printing Stationery and Xerox charges	1,707,079	1,741,360
Insurance	685,084	606,036
Building Repairs	7,320,677	4,787,606
Machinery Repairs	17,074,724	13,524,932
Other Repairs	4,644,055	5,263,041
Freight, Octroi etc.	14,545,998	5,152,944
Communication Expenses	495,954	554,321
Payments to the auditor as <input type="checkbox"/>		
(a) auditor	415,000	220,000
(b) for tax audit	80,000	70,000
(c) for certifications	295,000	140,000
(d) for reimbursement of expenses	73,980	16,980
Legal and Professional Fees	1,514,888	1,305,683
Retainership Fees	3,474,900	3,207,966
Directors' Fees	95,138	130,927
Travelling Expenses	4,540,807	3,817,805
Inspection Charges	3,127,950	3,919,938
Sundry Debit Balance Written Off	219,422	93,637
Exchange Rate Difference(Net)	-	6,736,368
Loss of Sales of Fixed Assets	248,675	148,498
Corporate Social Responsibility Activity Expenses (Note 36)	3,500,000	1,090,000
Bank Charges	10,052,646	7,545,615
Royalty Charges	8,466,706	117,500
Miscellaneous Expenses	6,251,034	4,356,522
Total	276,662,493	229,638,761

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(ii) Value of imported and indigenous spares consumed

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Imported	405,465.00 2.74%	- 0.00%
Indigenous	14,379,727 97.26%	10,241,495 100.00%
Total	14,785,192 100%	10,241,495 100%

27 CIF Value of Imports

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Raw Materials	77,727,033	174,939,896
Capital Goods	5,621,113	3,648,597

28 Expenditure in Foreign Currency

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Membership fees	745,872	994,925
Travelling	489,954	172,536
Others	8,895,466	743,196

29 Earning in Foreign Currency .

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Export of goods calculated on F.O.B. basis	236,797,087	127,375,084

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The Anup Engineering Limited

30 Employee Benefits

(A) Defined Benefit Plans:

(a) Leave Encashment/Compensated Absences

Salaries and wages include Rs. 3,000,623 (Previous year Rs. 917,774) towards provision made as per actuarial valuation in respect of accumulated leave encashment/compensated absences.

(b) Contribution to Gratuity Funds

Disclosure for defined benefit plans based on actuarial reports as on March 31, 2016. Expenses recognised for the year ended on March 31, 2016 (included in Note 23 to the Statement of Profit and Loss).

Particulars	2015-16	2014-15
Change in the Benefit Obligations :		
Liability at the beginning of the year	4,086,704	3,008,553
Interest Cost	325,302	280,096
Current Service Cost	928,846	690,559
Benefits Paid	(496,331)	(628,084)
Actuarial Loss/(Gain)	73,479	735,580
Liability at the end of the year	4,918,000	4,086,704
Fair Value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the year	4,546,935	4,498,036
Adjustment of earlier year	-	-
Expected Return on Plan Assets	361,936	391,329
Contributions	858,973	333,978
Benefits Paid	(496,331)	(628,084)
Actuarial gain/(loss) on Plan Assets	(45,590)	(48,324)
Fair Value on Plan Assets at the end of the year	5,225,923	4,546,935
Total Actuarial (Loss) /Gain to be recognized	(119,069)	(783,904)
Actual Return on Plan Assets :		
Expected Return on Plan Assets	361,936	391,329
Actuarial gain/(loss) on Plan Assets	(45,590)	(48,324)
Actual Return on Plan Assets	316,346	343,005
Amount Recognized in the Balance Sheet :		
Liability at the end of the year	4,918,000	4,086,704
Fair Value of Plan Assets at the end of the year	5,225,923	4,546,935
Amount recognized in the Balance Sheet under (Provision for Employee Benefits)/ Advance recoverable in cash or kind	307,923	460,231
Expense Recognized in the Statement of Profit and Loss :		
Interest Cost	325,302	280,096
Current Service Cost	928,846	690,559
Expected Return on Plan Assets	(361,936)	(391,329)
Net Actuarial loss/(gain) to be recognized	119,069	783,904
Expense recognized in the Statement of Profit and Loss under Employee Benefits Expense	1,011,281	1,363,230
Reconciliation of the Liability Recognized in the Balance Sheet :		
Opening Net Liability	(460,231)	(1,489,483)
Expense Recognized	1,011,281	1,363,230
Contribution by the Corporation	(858,973)	(333,978)
Amount recognized in the Balance Sheet under " Provision for Employee Benefits "	(307,923)	(460,231)
Experience Adjustment		
Experience adjustments on plan liabilities(Gain)/Loss	(496,331)	(628,084)
Experience adjustments on plan Assets Gain/(Loss)	(45,590)	(48,324)
Discount rate (%)	7.96	7.96
Estimated rate of return on plan assets (%)	7.96	7.96
Salary escalation (%)	8.00	8.00
Retirement age	58	58

Amount of Current and Pervious four years are as follows:

Particular	2015-16	2014-15	2013-14	2012-13	2011-12
a. present value of Defined Benefit Obligation	4,918,000	4,086,704	3,008,553	4,093,232	3,846,428
b. Fair Value of Plan Assets	5,225,923	4,546,935	4,498,036	4,460,533	4,833,288
c. Surplus or (Deficit) in Plan Assets	307,923	460,231	1,489,483	367,301	986,860
d. Experience Adjustments on Plan Liabilities losses/(gains)	(496,331)	(628,084)	(838,726)	812,766	(1,468,076)
e. Experience Adjustments on Plan Assets losses/(gains)	(45,590)	(48,324)	(39,464)	(126,273)	(381,195)

(B) Defined Contribution Plan:

An amount of Rs. 3,064,043/- (Previous year Rs. 3,415,641/-) is recognised as expense and included in the Note 23 "Contribution to Provident and Other Funds" in the Statement of Profit and Loss.

(C) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, Seniority, promotion and other relevant factors, such as supply and demand in the employment market. Mortality rates are obtained from the relevant data of Life Insurance Corporation of India.

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The Anup Engineering Limited

31 Earning Per Share (EPS) :

Amount in Rs., unless otherwise stated

		Year ended	
		March 31,2016	March 31,2015
Profit for the year available to equity shareholders	Rs.	240,135,014	181,485,814
Basic/Weighted average no. of Equity Shares	Nos.	340,000	340,000
Nominal value of Equity Shares	Rs.	100	100
Basic/Diluted Earning Per Share	Rs.	706.28	533.78

32 Segment Reporting

- a The company is primarily engaged in the business of Engineering, which in the context of Accounting Stanard 17 on " Segment Reporting" constitutes a single reportable primary segment.

b Secondary Segment (Geographical by Customers)

			Amount in Rs.	
			Year ended	
			March 31,2016	March 31,2015
Segment Revenue				
a) In India		1,100,394,069	1,233,550,571	
b) Outside India		236,797,087	127,375,084	
Total Sales		1,337,191,156	1,360,925,655	
Carrying Cost of Assets by location of Assets				
a) In India		1,255,212,614	845,300,565	
b) Outside India		75,798,883	14,622,708	
Total		1,331,011,497	859,923,273	
Addition to Assets				
a) In India		24,085,462	22,028,534	
b) Outside India		-	-	
Total		24,085,462	22,028,534	

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The Anup Engineering Limited

33 Related Party Disclosures :

As per the Accounting Standard on "Related Party Disclosures" (AS 18) , the related parties of the Company are as follows :

a List of Related Parties & Nature of Relationship :

Arvind Limited	Holding Company
Arvind Accel Limited	Fellow Subsidiary
Asman Investments Limited	Fellow Subsidiary
Dholka Textile Park Pvt Ltd	Fellow Subsidiary

b Related Party Transactions :

Nature of Transactions	Amount in Rs.	
	Year ended	
	March 31,2016	March 31,2015
Purchase		
Arvind Limited	332,762	121,921
Loan Given		
Arvind Limited	930,000,000	-
Arvind Accel Limited	10,000,000	-
Dholka Textile Park Pvt Limited	450,000,000	-
Loan Paid		
Arvind Limited	930,000,000	-
Loan Taken		
Arvind Limited	-	210,000,000
Loan Repaid		
Arvind Limited	-	210,000,000
Interest Income		
Arvind Limited	21,173,976	-
Arvind Accel Limited	2,808	-
Dholka Textile Park Pvt Limited	126,370	-
Interest Expense		
Arvind Limited	-	2,787,672
Receivable in respect of Current Assets		
Arvind Accel Limited	82,352	82,352
Payable in respect of Current Liabilities		
Arvind Limited	7,246	835,479
Receivable in respect of Loan		
Arvind Accel Limited	10,002,527	-
Dholka Textile Park Pvt Limited	450,113,733	-
Payable in respect of Loan		
Asman Investments Limited	8,502,509	8,502,509

c Transactions and Balances :

Particulars	Holding Company		Fellow Subsidiary Companies	
	Year ended		Year ended	
	March 31,2016	March 31,2015	March 31,2016	March 31,2015
Transactions:				
Welfare Expense	332,762	121,921	-	-
Loan Given	930,000,000	-	460,000,000	-
Loan Received	930,000,000	-	-	-
Loan taken	-	210,000,000	-	-
Loan Repaid	-	210,000,000	-	-
Interest Expense	-	2,787,672	-	-
Interest Received	21,173,976	-	129,178	-
Outstanding:				
Payable in respect of Current account	7,246	835,479	8,502,509	8,502,509
Receivable in respect of Loans	-	-	460,116,260	-
Receivable in respect of Current account	-	-	82,352	82,352

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The Anup Engineering Limited

34 Unhedged Foreign Currency Exposures at the Reporting Date:

Particulars	Year ended	
	March 31,2016	March 31,2015
Payable for purchase of goods		
i) Amount in USD	-	78,960
Amount in Rs.	-	4,935,024
Receivable on sale of goods		
i) Amount in Euro	-	24,000
Amount in Rs.	-	1,612,560
ii) Amount in USD	1,144,048	58,315
Amount in Rs.	75,798,883	3,644,681
iii) Amount in GBP	-	101,281
Amount in Rs.	-	9,365,467

35 The Company has revised the useful lives of fixed assets as per useful life specified in Schedule II to the Companies Act, 2013 as on April 1, 2014. Accordingly, the carrying value of fixed assets as on that date, net of residual value, has been depreciated over the revised remaining useful lives. Further, an amount of Rs. 1,451,199/- (net of deferred tax of Rs. 747,254/-) representing the carrying value of assets, whose remaining useful life is Nil as at April 1, 2014, has been charged to the opening balance of retained earnings as on April 1, 2014 pursuant to the Companies Act, 2013.

36 Details related to Corporate Social Responsibility (CSR) Expenditure

(a) Gross amount required to be spent during the year is Rs 3,457,171/-

(b) Amount of CSR Spend during the year on:

Amount in Rs.)

	In Cash	Yet to be paid in Cash	Total
(i) Construction or acquisition of any Assets	-	-	-
(ii) On purpose other than (i) above	3,500,000		3,500,000

37 In the opinion of the Board, all assets other than fixed assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated except for reconciliation adjustments in respect of some of the payables and receivables.

38 Previous year's figures have been regrouped wherever necessary.

As per our report of even date attached
For Sorab S. Engineer & Co.
 Firm Registration No. 110417W
 Chartered Accountants

Chokshi Shreyas B.

CA Chokshi Shreyas B.
 Partner
 Membership No. 100892
 Ahmedabad

Sanjay Kulkarni
 Chairman

Shreyas Chokshi

Directors

Pankaj S. Smith

The Anup Engineering Limited

Notes to financial statements

1. Company Background

Incorporated in the year 1962 by conversion of M/s. Hind Laboratories under Chapter IX of the Companies Act, 1956, M/s. The Anup Engineering Ltd. (Anup) is engaged in manufacturing and fabrication of process equipments required for Chemicals, Petrochemicals, Pharmaceuticals, Fertilizers, Drugs and other allied industries, The Company is a member of Lalbhai Group of Companies, prominent player in Textile and Chemical Industry.

2. Significant Accounting Policies

a. Basis of Preparation of Financial Statement

These financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on accrual basis. Indian GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

b. Use of Estimates

The preparation of Financial Statements in conformity with Indian GAAP requires the management to make estimates and assumptions in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known or materialize.

c. Inflation

Assets and liabilities are recorded at historical cost to the Company. These costs are not adjusted to reflect the changing value in the purchasing power of money.

d. Fixed Assets and Depreciation

(a) Fixed Assets

Fixed Assets are carried at cost of acquisition or construction less accumulated depreciation and amortisation.

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(b) **Depreciation and Amortisation**

➤ **Lease hold Land:**

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

➤ **Tangible Assets :**

(i) In respect of Fixed Assets acquired during the year, depreciation is charged on a straight line basis so as to write off the cost of the assets over the useful lives and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life specified in Schedule II to Companies Act, 2013.

(ii) Depreciation on assets sold, discarded is being provided up to the month of Sale, discardment of said assets.

➤ **Intangible Assets :**

Intangible assets are recorded at their acquisition cost and amortised on straight line method from the date they are available for use, over their estimated economic life not exceeding five years.

e. Revenue Recognition

(a) **Sales**

- (i) Domestic Sales are accounted on dispatch of products to customers
- (ii) Export sales are accounted on the basis of the dates of Bill of Lading.
- (iii) Export incentives are accounted on accrual basis at the time of export of goods, if the entitlement can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.
- (iv) Sales are disclosed net of returns, VAT and Excise Duty.

(b) **Fabrication Charges / Job Work Charges**

Revenue from the fabrication / job work is recognized on acceptance by the customer.

(c) **Late Delivery Charges**

Late delivery charges are provided for, as per contractual terms or acceptance in the year of delivery.

f. Inventories

- i) Stores, spares, etc. are valued at cost or net realisable value whichever is lower. Cost is arrived on F.I.F.O. basis..
- ii) Raw Materials are valued at cost or market value whichever is lower. Cost is arrived at on F.I.F.O. basis.
- iii) Work-in-Progress are valued at cost or net realisable value whichever is lower.
- iv) Finished Goods are valued at cost or net realisable value whichever is lower including excise duty.
- v) Obsolete and unserviceable stocks are valued at estimated realisable value.
- vi) Goods in transit and in Bonded Warehouse are stated at actual cost up to the date of the Balance Sheet.

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g. Exchange Fluctuations

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

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

h. Employee Benefits

a) Defined Contribution Plan

Company's contribution paid/payable during the period to Provident Fund, Officer Super Annuation Fund, are recognized in the Statement of Profit and Loss.

b) Defined Benefit Plan

Provision by payments to the Employees Gratuity Fund after taking into account the funds available with the Trustees of the Gratuity Fund is based on actuarial valuation done at the close of each financial year. At the reporting date Company's liabilities towards gratuity is determined by independent actuarial valuation using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the statement of Profit and Loss account as income or expenses. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the current and estimated terms of the defined benefit obligation.

c) Leave Entitlement

Payment for present liability of future payment of leave encashment is made to Life Insurance Corporation of India, which fully cover the said liability under Employee Group Leave Encashment Assurance Scheme. The Additional Liability arising out of the difference between the actuarial valuation and the fund balance with Life Insurance Corporation of India, if any, is accrued at the year end.

i. Taxation

Income-tax expense Comprises current tax and Deferred tax charges/credit. Provision for current tax is made on the assessable income as the tax rate applicable to the relevant assessment year.

MAT Credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax within the specified period.

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The Deferred tax Asset and Deferred tax Liability is calculated by applying tax rates and tax laws that have been enacted or substantively enacted by the Balance sheet date. Deferred tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws; are recognized only if there is virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date the carrying amount of Deferred tax Assets is being reviewed to reassess realization.

j. Earning Per Share

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

k. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

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