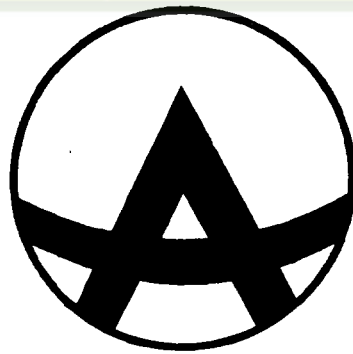


Annual Report 1998-99

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AMAR

POLYESTERS LTD.

AMAR POLYESTERS LTD.



BOARD OF DIRECTORS

Shri G.S. Baldva	Managing Director
Shri R.S. Nirwan	Director
Shri D.H Mehta	Executive Director

AUDITORS

M/S Sanghvi & Associates

Chartered accountants
710, Mahakant,
Ashram Road,
Ahmedabad 380 009.

BANKERS

Bank of Baroda

Vrundavan Shopping Centre
Pankornaka
Ahmedabad 380 002

Union Bank of India

IFB Branch
Ashram Road
Ahmedabad 380 009 .

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WORKS

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TEXTURISING DIVISION

2406, G.I.D.C.
Chhatral 382 729
Dist. Mehsana

WEAVING DIVISION

111, Jalalpur Godhneshwar
Taluka Dholka
Dist.Ahmedabad 382 710

REGISTERED OFFICE

2406, G.I.D.C.
Chhatral 382 729
Dist. Mehsana

CORPORATE OFFICE

301,Sampada
Nr. Mithakhali Six Road
Ahmedabad 380 009



AMAR POLYESTERS LTD.

NOTICE

NOTICE is hereby given that the Twelveth Annual General Meeting of the Members of the Amar Polyesters Limited will be held on 30th November, 1999 at 8.30 A.M. at its Registered Office at 2406, G.I.D.C., Chhatral 382729 to transact the following Business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company and the Report of Directors and Auditors thereon for the year ended 31st March, 1999.
2. To appoint a Director in place of Shri R S Nirwan who retires by rotation and is eligible for reappointment.
3. To appoint Auditors and to fix their remuneration.

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

Registered Office :

2406, G.I.D.C.
Chhatral 382 729
Date: 20th October, 1999

Order of the Board,

G. S. BALDVA
MANAGING DIRECTOR

NOTES

1. Members are requested to notify promptly any change in their addresses to Magnum Fincap Ltd. SMIT Complex, Choice Lane, Off CG Road, Navrangpura, Ahmedabad - 380 009. Any other correspondence relating to shares may also please be addressed to the said Share Transfer Agent.
2. The Register of members and Share Transfer Books of the Company will remain closed from 28th November 1999 to 30th November, 1999 (both days inclusive).
3. Members are requested :
 - a) To bring their copies of the Annual Report to the Meeting.
 - b) To quote their Folio No.(s) in all correspondence.
 - c) To forward their queries, if, any, so as to reach the registered office of the Company on or before 20th November, 1999 enabling the management to keep the information ready.
4. The Members/Proxies should bring the Attendance Slip sent herewith duly filled for attending the meeting.
5. Shareholders who have paid the allotment money may send their share certificate alongwith the allotment advice duly receipted at the office of the Share Transfer Agent of the company for making necessary endorsement and return.
6. Shareholders who have yet not paid allotment money are requested to pay allotment money with interest @ 18% p.a. at its corporate office of the Company and the payment should be made by a demand draft payable at Ahmedabad. Failure to pay allotment money with interest will render the Equity Shares including the amount already paid therein liable for forfeiture. To ensure safe despatch, the demand draft together with the allotment money notice should be despatched by registered post only. Interest is to be calculated from 1st September, 1993 to the date of payment.

AMAR POLYESTERS LTD.**DIRECTORS REPORT**

Dear Share holders,

Your Directors have pleasure in presenting their 12th Annual Report alongwith the audited financial statement for the year ended on March 31, 1999.

FINANCIAL RESULTS

The highlight of the financial results are

	Year ended 31.03.99 (Rupees)	Year ended 31.03.98 (Rupees)
Profit(loss)after depreciation of Rs. Nil (Previous year Rs 89,82,778) amount to	(57,24,356)	(8,63,58,98)
Balance brought forward from last year	(12,35,86,862)	(3,72,27,880)
Net Profit(loss)	(12,93,11,218)	(12,35,86,862)
Carried forward to next years account	(12,93,11,218)	(12,35,86,862)
Total	(12,93,11,218)	(12,35,86,862)

No provision for interest, depreciation and penal interest has been made after 30.09.97 in view of the scheme of revival and rehabilitation being worked out under the guidance of IDBI.

OPERATIONS

The operations of the Company, for the year under review though marginally better than the last year, have not been satisfactory. The accumulated losses, sticky debts, lower capacity utilisation, continuing sluggish textile market, and erosion and paucity of working capital, etc., have led to highly uneconomic operations.

Consequent upon being declared a Sick Industrial Company by the Board of Industrial and Financial Reconstruction (BIFR) your Company submitted a revival and rehabilitation proposal to IDBI on 30.06.98 which inter alia provided for induction of an NRI as co-promoter to bring the requisite promoters' contribution of Rs. 120 lacs.

On Joint Meeting held on 28.12.98 stipulating induction of Rs. 400 lacs as promoters' funds the promoters expressed their inability to bring in such quantum of funds and instead suggested for change of management which was accepted by the Joint Meeting.

The BIFR while accepting the above advice ordered OA to initiate action for change of management.

Accordingly IDBI issued advertisement in March'99 inviting offers for takeover/merger/amalgamation of the Company. On IDBI not getting any concrete response to the advertisement, your Company has given a revised proposal to IDBI which is under their active consideration.

It is hoped that the institutions will take a sympathetic view of the proposal of our unit where manufacturing facilities are still in good shape. On sympathetic and expeditious finalisation of the revival and rehabilitation proposal by the BIFR your Company will be able to attain back its normal health as envisaged in the proposal.

MATERIAL CHANGES

Your Company had taken up certain assets on lease from Fortis Financial Services Ltd (Fortis). Due to non payment of lease rental Fortis had approached Hon'ble Bombay High Court who had ordered for appointment of Court Receiver and in the event of our failure to pay the rentals to give possession of the equipments. After our appeal having been turned down through an out of court settlement. Fortis had taken possession of the assets as full and final settlement of their dues towards the Company. Your Company had taken up Picanol Airjet looms on higher purchase from Gujarat Lease

Financing Ltd (GLFL) Due to our inability to pay the instalments GLFL filed various cases in the local courts. Through an out of court settlement as full and final settlement GLFL has taken possession of the assets financed by them.

DIVIDEND

In view of the losses, your directors do not recommend any dividend for the year under review.

EXPANSION AND DIVERSIFICATION

Based on the revival and rehabilitation package to be finalised by the BIFR your Company may plan critically required expansions/diversification's.

INSURANCE

The Company's properties have been insured against fire, strike, riots, earthquake etc., on the basis of replacement value.

PARTICULARS OF EMPLOYEES

There was no employee during the year drawing remuneration in excess of the ceiling prescribed under provisions of Section 217(2A) of the Companies Act, 1956 read with the companies (Particulars of Employees Rules, 1975, as amended).

PARTICULARS OF CONSERVATION OF ENERGY ETC.

The Statement of particulars with respect to conservation of energy, pursuant to provision of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rule 1988 is annexed thereto as Annexure- A which forms part of this report.

INDUSTRIAL RELATIONS

During the year under review, as usual, the employees in the organisation have responded favourably to the initiatives and efforts that are being made to bring the company back to health. Industrial relation in the company were satisfactory and the Directors would like to place on record their deep appreciation for the contribution made by the employees at all levels.

The company continued to maintain harmonious and cordial relations with its employees at both the Divisions.

LISTING

The Equity Shares of the company are listed on The Stock Exchange, Ahmedabad, The Stock Exchange, Bombay and The Stock Exchange, Jaipur. The annual listing fees for the financial year 1998-1999 have been paid to The Stock Exchange, Ahmedabad. However the company has not paid listing fees to Jaipur Stock Exchange and Bombay Stock Exchange due to Non trading of Equity shares on the said Stock Exchanges.

AUDITORS REPORT

Regarding the Auditor's comment in their report, these are dealt with by Notes of Accounts which are self explanatory.

AUDITORS

The Company's Auditors M/s Sanghvi & Associates, retire and being eligible, offer themselves for reappointment.

ACKNOWLEDGMENT

Your Directors express their gratitude and sincere appreciation for the continuous co-operation and guidance received from Bankers, Financial Institutions, Government Authorities and the BIFR and to the customers, investors and shareholders for the utmost faith reposed by them into the company.

For and on behalf of the board of Directors

(G.S Baldva)

Managing Director

Place: Ahmedabad

Date : 20th October, 1999



AMAR POLYESTERS LTD.

ANNEXURE - A

Disclosure of particulars with respect to conservation of energy

	Current year 1998-1999	Previous year 1997-1998
A. Power & Fuel Consumption		
1 Electricity		
a) Purchased		
Units(in lacs)	29.09	42.46
Total Amount (Rs.in lacs)	121.36	140.57
Rate/Unit (Rs.)	4.17	3.33
b) Own generation		
i) Through Diesel Generator		
Unit (in lacs)	3.60	5.50
Unit per ltr of Diesel Oil	2.31	2.81
Cost/Unit (Rs.)	4.83	3.88
ii) Through steam	--	--
Turbine/Generator		
2. Furnace Oil		
Qty in (Ltrs)(Lacs)	0.80	1.30
Total Amount(Rs.in lacs)	5.03	8.74
Rate/Ltr	6.29	6.72
3. Others/Internal Generation	--	--
B. Consumption per unit of product ion		
Product - Yarn and Cloth		
1. Electricity(units)		
Cloth (Per mtr.)	1.18	1.02
Yarn (Per Kg.)	2.42	3.00
2. Furnace Oil(Ltrs)	0.06	0.05
Cloth (Per mtrs)	--	--
3. Others	--	--

AMAR POLYESTERS LTD.**AUDITORS REPORT****TO THE MEMBERS OF AMAR POLYESTERS LIMITED**

We have audited the attached Balance sheet of M/s Amar Polyesters Ltd. as at 31st March, 1999 and also the Profit & Loss Account of the Company for the year ended on that date, annexed thereto, and report that:

- 1) As required by the Manufacturing and other Companies (Auditors Report) order, 1988 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act 1956, we annex hereto a statement on the matters specified in Paragraphs 4 to 5 of the said order.
 - 2) Further to our comments in the annexure referred to in paragraph 1 above.
 - A) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - B) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of the books.
 - C) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
In our opinion, the profit loss A/c and Balance sheet comply with the Accounting Standard referred to in sub-Section(3c) of Section 211 of the companies Act, 1956. Subject of Note no.14 of schedule 'O' regarding non compliance of Accounting standard - 13 for non-provision for diminution in the value of investments at the year and note No.11 of schedule "O" regarding non-compliance of Accounting standard-15 for non provision for gratuity and leave encashment.
 - D) In our opinion and to the best of our information and according to explanations given to us, the Accounts, (which are prepared on going concern basis in spite of the accumulated losses exceeding the Company's Share Capital and Reserves), subject to
 - i) (a) Note No. 3 regarding non-provision of Interest on borrowing from Banks and Institution Rs.222.54 lacs, (Previous year Rs. 108.54 lacs aggregate to date Rs. 331.08 lacs) Consequently profit & loss A/c(Dr) in Balance sheet is lower by Rs. 331.08 lacs
 - (b) Non-provision of discounting charges on Bills Discounting facilities availed from NBFCS & Institutions Rs.129.43 lacs. (Previous year Rs. 64.72 lacs aggregate to date Rs. 194.15 lacs) Consequently profit & loss A/c(Dr) in Balance sheet is lower by Rs. 194.15 lacs
 - (c) Non-provision of Interest on unsecured loans Rs. 58.88 lacs. (Previous year Rs. 30.18 lacs aggregate to date Rs.89.06 lacs) Consequently profit & loss A/c(Dr) in Balance sheet is lower by Rs. 89.06 lacs. In all amounting to Rs.410.85 lacs. (Previous year Rs. 204.04 lacs aggregate to date Rs. 614.89 lacs) Consequently profit & loss A/c(Dr) in Balance sheet is lower by Rs. 614.89 lacs
 - ii) Note No. 4 regarding Non-provision of depreciation during the year of Rs.61.70lacs. (previous year Rs.30.78 lacs Aggregate to date Rs.92.48 lacs) Consequently Profit & loss Account(Dr) in Balance sheet is lower by 92.48 lacs
 - iii) Note No.9 regarding account of Sundry debtors, Loans & Advances and sundry creditors subject to adjustment and reconciliation due to non-availability of confirmation.
 - iv) Note no. 11 regarding non provision of present or future liability for gratuity and leave encashment to the extent of Rs.15.47 lacs. (Previous year Rs. 16.52 lacs)
 - v) Note No.14 regarding non-provision for diminution in the value of investment to the extent of Rs.5.92 lacs.
- Subject to the foregoing and the Notes on the accounts, in our opinion and to the best of our information and according to the explanations given to us the said statements of Accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:-
- i) in the case of the Balance Sheet, of the state of affairs for the Company as at 31st March, 1999 and
 - ii) in the case of Profit and Loss Account of the Loss for the year ended on that date.

For, **SANGHVI & ASSOCIATES**
CHARTERED ACCOUNTANTS

PLACE : AHMEDABAD
DATE : 20/10/99

N.K.GUPTA
PARTNER