



ANUSHA INTERNATIONAL LIMITED

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6th **ANNUAL** **REPORT** **1998-99**



BOARD OF DIRECTORS

Dr. P. Maruthai Pillai

Chairman

Mr. M. Arunn Pillai

Managing Director

Dr. K. Ampikaipakan

Mr. G. Davidly Moses

TIDCO Nominee

Mr. M. Uttam Reddi

Mr. G. Dwarakanathan

Mr. S. Devadhirajan

**Company Secretary & G.M.
Finance**

Bankers

**State Bank of India
Commercial Branch
Chennai - 600 001.**

Auditors

**Venkatesh & Co.
Chennai - 600 014.**

Registered Office

**112, 2nd Floor, Sterling Road,
Nungambakkam
Chennai - 600 034.**

Factory

**Shoe Division
117/118, SIDCO Indl. Estate
Ranipet - 632 403, Vellore Dist.
Tamil Nadu.**

**Finished Leather Division
60, Mukundarayapuram Village
Wallajah Taluk, Vellore Dist.
Tamil Nadu**

Dear Shareholder,

**Nomination facility is now available.
For your convenience we are enclosing
Form No.2B. All you have to do is to fill
up the form completely, sign and send
it to us. We will do the rest.**

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ANUSHA INTERNATIONAL LIMITED

Registered Office : No.112, 2nd Floor, Sterling Road, Nungambakkam, Chennai - 600 034.

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Sixth Annual General Meeting of the members of the Company will be held on Monday, the 15th November 1999 at 10.15 A.M. at the Kasturi Srinivasan Hall (Music Academy Mini Hall), 306, TTK Road, Chennai - 600 014, to transact the following business :

1. To receive, consider and adopt the audited accounts for the period ended 31st March 1999 and the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Dr. P. Maruthai Pillai who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in the place of Dr. K. Ampikaipakan who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass the following resolution, with or without modification as an Ordinary Resolution :

"RESOLVED THAT the fact of over 100% erosion in the net worth of the company as at 31st March 1999, thus resulting in the company becoming 'sick' within the meaning of Section 3(1) (i) of the Sick Industrial Companies (Special Provisions) Act, 1985 be noted and the Board of directors be and are hereby authorised to report the fact to the BIFR for their further necessary action in this regard".

By order of the Board
for ANUSHA INTERNATIONAL LIMITED

Chennai
4th October 1999

S. DEVADHIRAJAN
G.M. Fin & Company Secretary

NOTE

1. A Member entitled to attend and vote is entitled to appoint a proxy and vote instead of himself and such proxy need not be a Member.
2. Proxies in order to be effective, should be lodged with the company at its Registered Office not less than 48 hours before the Meeting.
3. Change of address, if any, should be notified to the company immediately.
4. Shareholders are requested to bring their copies of the Annual Report to the Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM 5

Under the provisions of Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985, the fact regarding total erosion in net worth shall be reported to BIFR as 'sickness' and such fact needs to be reported to the shareholders as well at a general meeting.

Accordingly the fact of total erosion is hereby reported to the shareholders for their consideration at the meeting.

As the net worth has been fully eroded, the company will be declared 'sick' under the said Act and will be referred to BIFR, with the approval of the shareholders.

None of the Directors is interested in this resolution.

By Order of the Board
for ANUSHA INTERNATIONAL LIMITED

Chennai
4th October 1999

S. DEVADHIRAJAN
G.M. Fin. & Company Secretary



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Sixth Annual Report of the Company together with the Audited Accounts for the period ended 31st March 1999 and the Auditors Report thereon.

The accounts have been closed for 9 months because of the total erosion in the network to facilitate early reference to BIFR so as to obtain a viable revival package.

You may remember that we had, with your approval, reported potential sickness to BIFR last year. Since then your directors have effected sizable reduction in manpower at all levels in all the three divisions, besides curtailing expenses wherever possible.

You would observe from the financial statements that the company had achieved a turnover of Rs. 172.57 Lacs and suffered net loss of Rs.315.30 Lacs after interest (Rs.229.01 Lacs) and depreciation (Rs.53.96 Lacs).

Interest on term loans and working capital has been provided as per bank intimation/advice and on compounded basis. However the company reserves its right to seek waivers and concessions as are applicable to a sick industrial unit to revive the project under BIFR scheme.

The fall in turnover has been due to working capital constraints.

In view of the accumulated losses, the net worth has been eroded 100%. This requires to be reported to BIFR under the Sick Industrial Companies (Special Provisions) Act, 1985 as a "sick" company.

Pursuant to Clause 43 of the Listing Agreement, we give below the required particulars.

	Projections as given in prospectus	Actuals
	Rs. in Lacs	
Total Sales	2549	172.57
Gross profit	561	(17.12)
Net profit	388	(315.30)

The projections were based on 100% export turnover and for a full year. Actuals however are for 9 months and represent only job charges earned. There was no export turnover. Projected export turnover could not be achieved for reasons explained above.

ANUSHA INTERNATIONAL LIMITED

INDUSTRY

The sluggishness haunting the industry and the economy as a whole appears to be receding. The Industry is expected to be better in the current year.

As compared to the previous year, export of leather footwear had registered a growth of 2.95%. It is expected that the trend in increase will be maintained this year as well. According to DGCI&S, the year 1999-2000 will register a 10% increase in the export of leather footwear as compared to the year 1998-1999.

U.S.A., U.K., Germany and Italy continue to be our main export destinations.

COMPANY'S PROSPECTS

As reported earlier, your company had approached banks and institutions for restructuring, besides, infusion of additional funds from the main promoters. These are expected to be completed shortly. With the infusion of additional funds and banks / institutional support by way of restructuring loans and interest concessions, your directors are confident of achieving a marked improvement in the performance of your company in the coming years.

The Company has entered into agreement with TATA International Limited for utilising its capacities in Shoe Uppers, Shoes and Leather divisions. This arrangement is expected to support the company to great extent in successfully reviving the unit under BIFR scheme.

Y2K

Your Company's production process do not involve any computerised operations. The accounting functions have been computerised and adequate measures have been initiated to revamp the systems to overcome the Y2K phenomenon. The expenditure in this regard is not expected to be material.

DIRECTORS

During the year Mr. M. Sivaram resigned from the Board owing to his personal preoccupations.

The Directors place on record his valuable services and contribution to the company.

Dr. P. Maruthai Pillai, Chairman, retires by rotation and being eligible offers himself for reappointment.

Dr. K. Ampikaipakan, Director, retires by rotation and being eligible offers himself for reappointment.

PARTICULARS OF EMPLOYEES

There were no employees drawing remuneration requiring reporting as specified under Section 217 (2A) of the Companies Act, 1956.



TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under Section 217(1) (e) of the Companies Act, 1956 is given below.

Particulars under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for the period ended 31st March 1999.

1. TECHNOLOGY ABSORPTION :

No fresh technology was absorbed during the year.

2. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Foreign Exchange earnings : Nil

Foreign Exchange outgo : Rs. 2465352.

AUDITORS

M/s. Venkatesh & Company, Chartered Accountants, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and have offered themselves for reappointment.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation of the continued support and cooperation received from Industrial Development Bank of India, State Bank of India, Tamil Nadu Industrial Development Corporation Limited, Maika Holdings Berhad, Malaysia and the Shareholders of the Company.

Your Directors also gratefully acknowledge the support and goodwill extended by employees at all levels.

for and on behalf of the Board

Chennai
4th October 1999

Dr. P. MARUTHAI PILLAI
Chairman

ANUSHA INTERNATIONAL LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of ANUSHA INTERNATIONAL LIMITED as at 31st March 1999 and the Profit & Loss account of the company for the period ended on that date annexed thereto and report that :-

1. 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 :
2. In our opinion, proper books of account as required by law, have been kept by the company, so far as appears from our examination of such books.
3. The Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of account.
4. The Balance Sheet and Profit and Loss Account of the Company are in accordance with accounting standards prescribed under section 211 (3C) of the Companies Act, 1956. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss account read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
 - i. In so far as it relates to the Balance Sheet of the state of affairs of the company as at 31st March 1999.
 - ii. In so far as it relates to the Profit and Loss account, of the LOSS of the company for the period ended on that date.
5. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the company as we considered appropriate and the information and explanations given to us during the course of our audit, we report that, in our opinion :
 - a. The company has maintained generally proper records showing full particulars including quantitative details and situation of fixed assets. The management has physically verified the company's fixed assets during the period and no material discrepancies were noticed on such verification.
 - b. None of the fixed assets have been revalued during the period.
 - c. The stocks of finished goods, raw materials, stores and spares excluding materials in transit, have been physically verified by the management at reasonable intervals during the year.
 - d. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - e. The discrepancies noticed on verification between the physical stocks and the book records were not material.
 - f. On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in previous year.
 - g. The company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 the terms and conditions of which are prima facie prejudicial to the interest of the company.