



ANUSHA INTERNATIONAL LIMITED

For ANUSHA INTERNATIONAL LTD.

S. Devadiga
GENERAL MANAGER
(Finance & Co. Secretary)

7th
ANNUAL
REPORT
1999-2000

BOARD OF DIRECTORS

Dr. P. Maruthai Pillai
Mr. M. Arunn Pillai
Mr. G. Davidly Moses
Mr. M. Uttam Reddi
Mr. G. Dwarakanathan

Chairman
 Managing Director
 TIDCO Nominee

Mr. S. Devadhirajan

Company Secretary & G.M.
 Finance

Bankers

State Bank of India
 Commercial Branch
 Chennai - 600 001.

Auditors

Venkatesh & Co.
 Chennai - 600014.

Registered Office

82, 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.

Report



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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. 82, 2nd Floor, Sterling Road, Nungambakkam, Chennai 600 034.

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Seventh Annual General Meeting of the members of the Company will be held on Monday 4th September 2000 at 10.15 AM. 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 year ended 31st March 2000 and the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Mr. M.Uttam Reddi who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

By order of the Board
for ANUSHA INTERNATIONAL LIMITED

S. DEVADHIRAJAN
G.M. Fin & Company Secretary

Chennai
31st July 2000

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.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Seventh Annual Report together with the audited accounts for the year ended 31st March 2000 and the auditors' report thereon.

You would remember that we had with your approval last year reported sick to BIFR pursuant to section 15 of the Sick Industrial Companies (Special Provisions) Act, 1985. BIFR had registered your company's application in March '00 and had at their first hearing in May '00 declared the company sick and appointed IDBI as the operating agency. We have since prepared and filed the draft rehabilitation report with them and are awaiting a joint meeting with the institution and bank to discuss and finalise the report.

The financial results for the year show a turnover of Rs. 131.46 lakhs representing job charges. Due to paucity of working capital no direct exports could be undertaken. Total expenditure for the year was Rs. 456.44 lakhs including interest Rs. 186.94 lakhs and depreciation Rs. 70.85 lakhs. Loss for the year was Rs. 324.97 lakhs.

Audit Observations

- i. As we have now become sick interest for the year has been calculated on lower rates as per RBI guidelines in contrast to earlier years when we had calculated interest as per applicable bank rates on compounded basis.
- ii. The stock valuation was done for the purpose of BIFR report in June 2000 and has been taken into account in the year 2000-01. Accordingly, the diminution in the value of stocks has been reflected in the results for the 1st quarter (April-June 2000) published pursuant to clause 41 of the Listing Agreement.
- iii. Due to paucity of funds the company was not in a position to remit Provident Fund and ESI contributions on time.

Industry

As reported last year the uptrend in export of leather footwear was maintained this year. An increase of 4.9% over last year in rupee value terms was registered during the year in the exports of leather footwear. The export target for the leather footwear was US\$250M whereas the actual exports were US\$330.80M surpassing the target by 32.32%.

The current year is also expected to augur well for the leather industry.

Company's Prospects

The draft rehabilitation report envisages sacrifices from bank and institution in the form of interest concessions and penal levy waivers to the tune of Rs. 565.95 lakhs and promoters' additional funds infusion to the extent of Rs. 220 lakhs to revive the unit.

The promoters have tied up the required funds from outside sources and it is understood that the actual infusion would take place soon after BIFR sanctions the scheme of rehabilitation.

As per the report submitted to BIFR, the above funds will, more than adequately meet the cost of the scheme.



Directors

Dr. K. Ampikaipakan, representing Maika Holdings Berhad has resigned during the year. Your directors place on record his valuable advice, guidance and support during his tenure as director on the board of your company.

Mr. M. Uttam Reddi retires by rotation at the ensuing meeting and has offered himself for reappointment. Your directors recommend his continuance on the board.

Particulars of Employees

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

Technology absorption and foreign exchange earnings and outgo

During the year under review there was no fresh technology absorption nor there were foreign exchange earnings or outgo.

Auditors

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

Acknowledgement

Your Directors place on record their appreciation of the continued support and cooperation from institution and banks. TIDCO and Maika Holdings Berhad, Malaysia.

Due acknowledgment is also made to all employees of the organisation for their forbearance and loyalty to stand by the management during the difficult times.

We continue to solicit your good wishes and cooperation to tide over the crisis.

Chennai
31st July 2000

for and on behalf of the Board

Dr. P. MARUTHAI PILLAI
Chairman