

BOARD OF DIRECTORS

Mr. M. Arunn Pillai

Managing Director

Mr. M. Uttam Reddi

Director

Mr. D. Dwarakanathan

Director

Mr. B. Elangovan

Nominee of TIDCO

Bankers

State Bank of India
Commercial Branch
Chennai 600 001.

Auditors

M/s. Venkatesh & Co.
Chennai 600 014.

Registered Office

No. 12, Tankbund Road,
Nungambakkam,
Chennai 600 034.

Factory

Shoe Division
117/118, SIDCO Industrial Estate,
Ranipet - 632 403, Vellore District,
Tamilnadu.

Finished Leather Division
60, Mukundarayapuram Village,
Wallajah Taluk, Vellore District,
Tamilnadu.

Report



Junction.com

CONTENTS

| | |
|-------------------------------|----|
| Notice | 1 |
| Directors' Report | 4 |
| Auditors' Report | 6 |
| Balance Sheet | 8 |
| Profit and Loss Account | 9 |
| Schedule to Accounts | 10 |
| Notes on Accounts | 13 |
| Balance Sheet Abstract | 17 |
| Cash Flow Statement | 19 |



ANUSHA INTERNATIONAL LIMITED

Registered Office : No. 12, Tankbund Road, Nungambakkam, Chennai 600 034.

NOTICE CALLING NINETH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Ninth Annual General Meeting of the Company will be held on the 25th Day of September 2002 at 10.15 a.m. at the Kasturi Srinivasan Hall, Music Academy, 306, TTK Road, Chennai 600 014, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report and the Audited Profit and Loss Account for the financial year ended 31st March 2002 and Balance Sheet as at that date and the Auditor's Report thereon.
2. To appoint a Director in the Place of Mr. Uttam Reddi, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration. M/s. Venkatesh & Co., the retiring Auditors are eligible for reappointment.

SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution :
"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 and other applicable provisions, if any, read with schedule XIII of the Companies Act, 1956 approval of the Company and is hereby accorded for the reappointment of Mr.M.Arunn Pillai as the Managing Director of the Company for a period of five years with effect from 01/03/2002 upon the principal terms and conditions including the remuneration as set out in the Explanatory Statement attached hereto for the period from 01-03-2002 to 28-02-2007, i.e., till the expiry of the present tenure of appointment".

NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy. A proxy need not be a member of the company. The proxy form duly completed must be sent so as to reach the company not less than 48 hours before the Commencement of the meeting.
2. Change of address, if any, should be notified to the company immediately.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 20.09.2002 to 25.09.2002. (both days inclusive)
4. Members are requested to bring their copies of the Annual Report to the meeting.
5. Explanatory statement under section 173(2) of the Companies Act, 1956 is annexed.

Chennai
2nd September 2002

On behalf of the board
M. UTTAM REDDI
Director

Item No. 2

Particulars of other directorships/committee membership of persons proposed to be appointed / reappointed director.

Mr. M. Uttam Reddi aged 76 years, has held coveted positions in Government of India, public sector undertakings and private sector companies. His experience in the Ministry of Industry, Commerce and Company Affairs will be valuable. He was the legal Adviser to large Corporations such as the Madras Fertilizers Ltd., Madras Refineries Ltd., SPIC Industries.

He has been on the Board since October 1994. Particulars of his other directorships are given below.

| | Name of the Company | Nature of Interest |
|----|--|--------------------|
| 1. | FAL Industries Limited | Director |
| 2. | Aruna Sunrise Hotels Limited | Director |
| 3. | Beardsell Limited | Director |
| 4. | Madanapalle Spinning Mills Limited | Director |
| 5. | Switching Technologies Gunthur Limited | Director |

Committees in which he is a member

- | | | |
|----|-----------------------------------|----------|
| 1. | Shareholder's Grievance Committee | Chairman |
|----|-----------------------------------|----------|

Item No. 3

Mr. M. Arunn Pillai, Managing Director of the Company whose terms of appointment expired on 28-02-2002 is being reappointed for a period of 5 years from 01-03-2002 to 28-02-2007.

Mr. M. Arunn Pillai, aged 45 years, has over 15 years of experience in the Leather Industry and has taken up special training in Germany in Upper & Shoe and has been with the world renowned Schemengr Leather Company, West Germany for about 2 years getting total exposure to leather industry at their Leather Plant. He has widely travelled outside India. He has an excellent rapport with overseas buyers.

He has been on the Board since the incorporation of the company. Particulars of his other directorships are given below :

| | Name of the Company | Nature of Interest |
|----|----------------------------------|--------------------|
| 1. | Soundararajan & Co. P. Ltd., | Managing Director |
| 2. | A & A Foods P. Ltd. | Director |
| 3. | SNAP International Ltd. | Director |
| 4. | Mycom Software Solutions P. Ltd. | Chairman |

Committees in which he is a member

| | | |
|----|-----------------------------------|----------|
| 1. | Audit Committee | Member |
| 2. | Shareholder's Grievance Committee | Member |
| 3. | Share Transfer Committee | Chairman |



Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 4

Mr. M. Arunn Pillai was reappointed as the Managing Director of the Company for a period of five years with effect from 01-03-1997. At the Annual General Meeting held on 15th December 1997, the Shareholders have approved the revision of salary payable to him with effect from 01-03-1997 for the remaining period of his term, viz., 01-03-1997 to 28-02-2002. His salary was revised from Rs. 11,000/- to Rs. 18,000/- per month on a time scale of Rs. 18,000 – 2,000 – 28,000 with commission and other perquisites in line with the conditions stipulated in Schedule XIII of the Companies Act, 1956.

The term of office of Mr. Arunn Pillai as the Managing Director of the Company has expired on 28-02-2002. The Board of Directors at their meeting held on 30-01-2002, reappointed Mr. Arunn Pillai as the Managing Director of the company for a further period of five years from 01-03-2002. The appointment and payment of remuneration of Mr. Arunn Pillai is subject to the approval of the Shareholders at the General Meeting.

The details of remuneration payable to Mr. Arunn Pillai are as follows :

| | |
|--------------------------|--|
| I. Period of Appointment | 5 years with effect from 01-03-2002. |
| II. Salary | Rs. 28,000/- per month |
| III. Annual Increment | Rs. 2,000/- in the time scale |
| IV. House Rent Allowance | 60% of the salary |
| V. Managerial Allowance | Rs. 1,000/- per month |
| VI. Perquisites | In addition to the above, the Managing Director shall be entitled for Leave Travel Assistance for self and family, reimbursement of medical expenses as per the rules of the Company and also Club Fees, Personal Accident Insurance, etc., The total value of the above perquisites shall not exceed the annual salary. |
| VII. Other Facilities | Provision of car for the use for Company's business and telephone at residence and Provident Fund, as per the rules of the Company. These benefits shall not be included in computing the value of perquisites. |

As the above appointment requires the approval of the shareholders under Sections 198, 269 & 309 along with Schedule XIII of the Companies Act, 1956, an Ordinary Resolution is set out under item 5 of the notice for the approval of the Shareholders.

Interest of Directors :

Mr. M. Arunn Pillai is interested in the above resolution in his capacity as the Managing Director of the Company.

Chennai
2nd September 2002

On behalf of the board
M. UTTAM REDDI
Director

DIRECTORS' REPORT

At the outset the Directors regret to report the sad demise of Dr. P. Maruthai Pillai, Chairman of our Company and wish to record their appreciation for the services of Dr. P. Maruthai Pillai, Chairman of the company and appreciates the fact that he was the founder and guiding spirit behind many venture of the Aruna Sugars group and in his demise, the nation has lost one of the senior most industrialists and the company and the board, a valuable leader.

Your directors have the pleasure in presenting their Ninth Annual Report together with the audited accounts for the year ended 31st March 2002.

The draft rehabilitation report submitted by the company is being finalised and forwarded to BIFR by IDBI, the operating agency. We expect BIFR to call for a final meeting with the company, IDBI and SBI. We expect the proposal to take effect, with BIFR approval, during the currency of this year.

Operating Results

The financial results for the year shows a turnover of Rs. 2185 lakhs representing export sale under form H and job charges. Due to paucity of working capital no direct exports could be done. However, deemed exports to the tune of Rs. 107 lakhs has been done by the company. Total expenditure for the year was Rs. 542.06 lakhs, including interest Rs. 151.72 lakhs and depreciation Rs. 74.59 lakhs. Loss for the year Rs. 298.55 lakhs.

Industry

The uptrend in export of leather footwear established in 2000-2001 continue to be maintained. An increase of 6.43% over last year in rupee value terms was registered during the year in the export of leather footwear. The increase was 5.96% in US\$ terms, but this was largely upset by US\$ to Indian rupee, and therefore the real increase was 0.47% in US\$ terms over the previous year.

The rising trend is likely to be maintained in the current year as well.

Company Prospects

Your directors are confident that a viable rehabilitation scheme will be in place during the current year and will thus set the ground for take off in the next year.

Directors

In accordance with section 255 of the Companies Act, 1956 and Article 125 of the Articles of Association of the Company Mr. M. Uttam Reddi retires by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

Dr. P. Maruthai Pillai, Chairman, The Board places on record its appreciation for the valuable services rendered by Dr. P. Maruthai Pillai.

The tenure of Mr. M. Arunn Pillai, as Managing Director of the Company expired on 28-02-2002. The Board of Directors at the meeting held on 30.01.2002 have reappointed him as the Managing Director for a further period of five years on enhanced remuneration with effect from 01.03.2002. A separate resolution is proposed at the Annual General Meeting of the Company to obtain the approval of the shareholders.

Mr. Elangovan representing Tamilnadu Industrial Development Corporation Limited had been appointed as the nominee director of the Company at the board meeting held on 31.01.2002.

Particulars of Employees

There was no employee drawing remuneration requiring reporting under section 217 (2A).

Directors' Responsibility Statement

As required under section 217 (2AA) of the Companies Act, 1956 a Directors' Responsibility Statement relating to the preparation of Annual accounts is attached and forms part of this report.

Auditors

M/s. Venkatesh & Co. Chartered Accountants, Chennai, the Company's Statutory Auditors retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

Report on Corporate Governance

As per SEBI guidelines and Stock Exchange listing agreement, the company is permitted to implement the various requirements under this new concept upto 31st March 2003. However your directors are aware of the importance of implementing these requirements sooner than later. It has been decided to implement these requirements in phases, after the scheme of rehabilitation is sanctioned and an expanded Board is constituted.

Conservation of Energy, Technology Absorption and Foreign Exchange and outgo

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

**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 acknowledgement is also due to all employees of the organisation for their commitment and loyalty to stand by the management during the difficult times. Your directors wish to thank the members for the continued confidence they have reposed in the management

Chennai
2nd September 2002

On behalf of the board

M. UTTAM REDDI
Director

M. ARUNN PILLAI
Director

ANNEXURE TO DIRECTOR'S REPORT**DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, to the best of their knowledge and belief, confirm that :

- In the preparation of the Profit & Loss Account for the financial year ended 31st March 2002 and the Balance Sheet as at that date (financial statements) applicable accounting standards have been followed.
- appropriate accounting policies have been selected and applied consistently and such judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit of the Company for that period.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. (To ensure this, the company has established internal control systems, consistent with its size and nature of operations. In weighing the assurance provided by any such system of internal controls its inherent limitations should be recognised. These systems are reviewed and updated on an ongoing basis. Periodic internal audits are conducted to provide reasonable assurance of compliance with these systems).
- The financial statements have been prepared on a going concern basis.
- The financial statements have been audited by M/s. Venkatesh & Co., the statutory auditors and their report is appended thereto.

On behalf of the board

Chennai
2nd September 2002

M. UTTAM REDDI
Director

M. ARUNN PILLAI
Director