

SEVENTH ANNUAL REPORT 1997-98

MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DIV	NA
TRA	NA	✓		✓
AGM	✓			✓
YE	✓	✓		✓

ARUN NANTEX LIMITED**Board of Directors****Chairman**

Dr.P.S.Palande

Directors

Mr.Rajesh Khaitan

Mr.E.Fernandes (Nominee of IDBI)

Mrs.Pushpa A.Makharla

Managing Director

Mr.Vikas A.Makharla

Auditors

M/s.S.P.Gupta & Associates

Medows House, 5th Floor,

Medows Street, Fort,

Mumbai - 400 023.

Legal Advisors

M/s.Rajesh Khaitan & Co.,

2, Church Lane,

Calcutta - 700 001.

Bankers

Oriental Bank of Commerce

The United Western Bank Ltd.

Dena Bank

Canara Bank.

Registered Office

15, Kamala Bhavan,
 Sharma Industrial Estate,
 Walbhat Road,
 Goregaon (East),
 Mumbai - 400 063.

Works

1. 15, Kamala Bhavan,
 Sharma Industrial Estate
 Walbhat Road,
 Goregaon (East),
 Mumbai - 400 063.
2. Plot No.411 A & B,
 Take Ghoti,
 Igatpuri,
 Nashik.

ARUN MANTEX LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ARUN MANTEX LIMITED will be held on Tuesday, the 27th October 1998 at 4.00 p.m. at Samrat Hotel, Prem Court, J.Tata Road, Churchgate, Mumbai - 400 020.to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date together with the Directors' and Auditors Report thereon.
2. To appoint a Director in place of Dr. P. S. Palande who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. Proxies in order to be effective must be duly stamped, completed, signed and deposited with the company at its registered office not later than forty-eight hours before the commencement of the meeting.
3. The Members / Proxies should bring the attendance slip duly filled in for attending the meeting.
4. Members are requested to :
 - a. Inform the Company the change of address, if any.
 - b. Quote Ledger Folio Nos. in all their correspondence, with the company.
5. The Register of Members and Share Transfer Books will remain closed from Tuesday, the Monday, 2nd November, 1998 to Saturday, the 14th November, 1998 (both days inclusive.)

By Order of the Board of Directors

Sd/-
(Vikas A.Makharia)
MANAGING DIRECTOR

PUNE

Date : 14/09/98

Registered Office :

15, Kamala Bhavan,
Sharma Industrial Estate,
Walbhat Road,
Goregaon (East)
Mumbai - 400 063.

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DIRECTORS REPORT TO THE SHAREHOLDERS

The Directors present their Seventh Annual Report together with Auditors Report and Audited Statement of Accounts for the year ended 31st March, 1998.

FINANCIAL RESULTS

During the year under review the turnover decreased from Rs.2573.90 lacs to Rs.1153.83 lacs.

FINANCIAL SUMMARY

Particulars	(Rs.in lacs)	
	1997-98	1996-97
i) Gross Turnover	1153.83	2573.90
ii) Operating Profit	(125.03)	321.44
iii) Interest	216.42	212.31
iv) Depreciation	112.75	56.42
v) Profit before Tax	(454.20)	52.71
vi) Provision for Taxation	-	7.00
vii) Profit After Tax	(454.20)	45.71
Add : Profit brought forward from previous year	384.23	239.02
Balance carried to Balance Sheet	(69.97)	291.23

PERFORMANCE

In line with the General slow down of the economy the performance of your Company was also affected.

DIVIDEND

No Dividend is recommended in view of the losses.

DIRECTORS

Shri V.K.Tapadia and Shri I.B.Singh resigned as Directors from the Company on 13/04/98 and 01/12/97 respectively. The Board of Directors thank them for the valued services and wish them the very best.

In accordance with the provision of Section 256 of the Companies Act, 1956 and the Articles of Association of your Company Dr.P.S.Palande Director of the Company is liable to retire by rotation and is eligible for the re-appointment. Your Directors recommended his re-appointment as Director of the Company.

ARUN MANTEX LIMITED

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The efforts to conserve and optimise the use of energy are being made through operational methods. prescribed information regarding Compliance of Rules relating to Technology Absorption pertaining to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is not provided as the same is not applicable to the Company.

AUDITORS REPORT

The notes on accounts as given by Auditors in their report are self explanatory.

LEGAL COMPLIANCE

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, provided as amended is not applicable to the Company.

AUDITORS

M/s.S.P.Gupta & Associates, retire at the conclusion of this Annual General Meeting and are eligible for reappointment. A certificate in terms of Section 224(1-B) of the Companies Act, 1956 has been received from them.

ACKNOWLEDGEMENT

Your Board would like to place on record its sincere appreciation for the whole-hearted support and contributions made by employees at all levels, Banks, Financial Institutions, suppliers, Business Associates and shareholders towards conduct of the Company's operations.

For and on behalf of the Board of Directors

PUNE
Date : 14/09/98

Sd/-
(Vikas A.Makharia)
MANAGING DIRECTOR

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AUDITORS REPORT

To,
The Members of ARUN MANTEX LIMITED

We have audited the attached Balance Sheet of ARUN MANTEX LIMITED as at 31st March 1998, and also the Profit and Loss account for the year ended on that date annexed thereto, we report as follows :-

- (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 enclose in the Annexure, a statement of the matters specified in paragraphs 4 and 5 of the said order.
- (2) Further to our comments in the Annexure referred to in paragraph 1 above, we have to state that :
Note 11 - relating to short provision of interest amounting to Rs.3,18,85,561/=-.
Note 12 - relating to valuation of damaged goods.

Subject to the above

- (a) We have 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 appears from our examination of the Books.
- (c) The Balance Sheet and Profit and Loss Account, dealt with in the report, are in agreement with the Books of Account.
- (d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Accounting policies and the notes forming part of the Accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :-
(I) insofar as it relates to the Balance sheet and the state of affairs of the company as on 31st March 1998, and
(II) insofar as it relates to the Profit and Loss Account, of the loss of the Company for the year ended on that date.

FOR S.P.GUPTA & ASSOCIATES
CHARTERED ACCOUNTANT

PUNE
DATE : 14th September, 1998

Sd/-
S.P.GUPTA
PARTNER

ARUN MANTEX LIMITED

ANNEXURE TO THE AUDITORS REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 1998 OF ARUN MANTEX LIMITED.

1. As explained to us the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets however the same is not produced before us for verification. All the assets have not been physically verified by the management during the year but there is a regular programme of verification which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on verification.
2. None of the fixed assets have been revalued during the year.
3. The stocks of finished goods, spare parts and raw materials have been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
4. The procedure 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.
5. The discrepancies noticed on verification between the physical stocks and the book records were not material.
6. On the basis of our examination of stock records, We are of the opinion that the valuation of stock is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. In our opinion, the rate of interest and other terms and conditions on which the loans have been taken from the parties listed in the registers maintained under section 301 of the Companies Act, 1956, are not, prima facie, prejudicial to the interest of the company.
8. In our opinion the rate of interest and other terms and conditions on which the loans have been granted to companies, firms, or other Companies listed in the registers maintained under section 301 and to the companies under the same management are not, prima facie, prejudicial to the interest of the company.
9. Parties to whom loans and advances in the nature of loans have been given are repaying the principal amounts as stipulated and are also regular in payment of interest, where applicable.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of stores, raw materials including components, plant and machinery, equipments, and other assets and with regard to the sale of goods.
11. In our opinion and according to the information and explanations given to us, the transactions of purchase and sale of goods and materials in pursuance of contracts or arrangements entered in the register maintained under section 301 and aggregating during the year to Rs.50,000/- or more in respect of each party have been made at prices which are reasonable having regard to the prices at which transactions of similar goods and materials have been made with other parties or quoted by the other parties except where comparable quotation are not

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- available having regard to the specialised nature of materials purchased by the company.
12. As explained to us, the company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods. Adequate provision has been made in the accounts for the loss so determined.
 13. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 58-A of the companies Act, 1956 and the companies (Acceptance of Deposit) Rules, 1975. The Company has not accepted deposits from public.
 14. The Company has maintained reasonable records in respect of sale and disposal of scrap. We are informed that the manufacturing process of the company does not give rise to any by-products.
 15. In our opinion the company has an internal audit system commensurate with the size and nature of its business.
 16. The central Government has not prescribed, maintenance of cost records under section 209 (1) (d) of the companies Act, 1956 for any of the products of the company
 17. Provident Fund/ Employees's State Insurance dues relating to the year and aggregating to Rs. 4,37,921\= which has fallen due for deposit with the appropriate authorities has not been so deposited.
 18. According to the information and explanations given to us, no undisputed amounts payable in respect of Wealth Tax, Customs duty and Excise duty were outstanding as on 31st march, 1998 for a period of more than six months from the date they became payable, however there are outstanding dues of Income tax for Rs 6,39,306\= and of Sales tax for Rs. 10,22,055\=.
 19. According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations.
 20. The company is not Sick Industrial Company within the meaning of the clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies Special (Provisions) Act, 1985.
 21. In respect of the trading activity of the company there were no damaged goods in closing stock.

FOR S.P.GUPTA & ASSOCIATES
CHARTERED ACCOUNTANT

PUNE
DATE : 14th September, 1998

Sd/-
S.P.GUPTA
PARTNER