

# **ARUN PROCESSORS LIMITED.**

**NINTH ANNUAL REPORT**  
**1998-99**

**BOARD OF DIRECTORS**

Sri. K. N. ARTHANAREESWARAN

Sri. B. R. SHAH

Sri. SIVA C. PARAMASIVAM

Sri. ABDUL WAHAB PEEVEE

Smt. GITA KAO

Smt. M. UMADEVI

Sri. A. MOHAN

Managing Director.

**Auditors**

M/s. N. C. RAJAGOPAL & CO.,  
CHARTERED ACCOUNTANTS,  
171, AGRAHARAM STREET,  
ERODE - 638 001.

**Bankers**

STATE BANK OF INDIA  
OVERSEAS BRANCH  
39, RAJAJI SALAI,  
MADRAS - 600 001.

STATE BANK OF MYSORE,  
75-76, OPPANAKARA STREET,  
COIMBATORE - 641 001.

STATE BANK OF TRAVANCORE  
MOUNT ROAD BRANCH,  
162, MOUNT ROAD,  
MADRAS - 600 002.

**Registered Office**

SINGAMPETTAI POST  
BHAVANI TALUK  
ERODE DISTRICT.

**ARUN PROCESSORS LIMITED****NOTICE**

Notice is hereby given that the Ninth Annual General Meeting of the Shareholders of the Company will be held on 31st March 2000 at 3.00 P.M. at the registered office of the Company at Singampettai, Bhavani Taluk, Erode District to transact the following business:

1. To receive, consider, approve and adopt the Audited Balance sheet with schedules as at 31-12-1999, the Profit and Loss Account with schedules, for the period ending on that date, Directors' Report and Auditors' Report thereon.

2. To elect a Director in place of Mr. Abdul Wahab Pee Vee, retiring by rotation and being eligible, offers himself for re-election.

3. To elect a Director in place of Mrs. M. Umadevi, retiring by rotation and being eligible, offers herself for re-election.

4. To appoint Auditors and to fix their remuneration from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting.

**Note :**

1. A member entitled to attend and vote at the meeting is also entitled to appoint instead of himself to attend and vote one or more proxy(ies) and such proxy(ies) need not be a member. A PROXY FORM IS ENCLOSED.

2. A Proxy to be valid should be duly filled in and affixed with requisite stamp and lodged with the Company's Registered Office atleast 48 hours before the commencement of the meeting.

3. The register of members and the share transfer registers of the Company will remain closed for a day on 31-3-2000.

4. Members are requested to notify change of Address, if any, promptly in order to serve them better.

By order of the Board  
for Arun Processors Limited

Place: Singampettai.

**A. Mohan**

Date : 19.02.2000.

Managing Director.

### DIRECTORS REPORT

Your Directors hereby Present the 9th Annual Report together with the Audited Accounts for the year ended 31st December 1999.

Financial Performance	1998-99 ( 15 Months )	1997-98 (for 12 months)
	Rs. Lakhs	
Sales	299.20	51.29
Loss before Interest and Depreciation }	(118.89)	(91.80)
Finance Charges	(936.94)	(288.98)
Depreciation	(156.37)	(78.20)
Preliminary Exps written off	(14.01)	(14.01)
Loss (Net)	(1226.21)	(472.99)

#### About the Industry :

The Indian Textile Industry is going through a recession for the last three years and this situation became more acute with the South East Asian currency Crisis. There is excess capacity in the textile Industry. Excess supply of yarn, over demand tight money market conditions and an adverse exchange rate.

due to the fall in export turnover affected by the South East Asian currency crisis as stated earlier in this report.

Further due to severe financial crisis prevailed through out the country, the company was not in a position to get its working capital requirements which resulted in low export turnover for 1998 - 99 as compared to previous years.

#### Review of Operations :

There has been an increase in the cost of raw material, Power & fuel, interest and other inputs during this year and the loss in the company's working is attributed to the general recessionary trend in the industry and also

The financial year has been extended by three months to end in December 1999. The company is undertaking job orders for garment exporters and the demand is quite high because of the best Export quality of fabrics.

## ARUN PROCESSORS LIMITED

**Future Plans :**

The company's share capital has completely eroded and your board have decided to refer the matter to Board for Industrial Financial reconstructions. (BIFR)

**Directors :**

Mr. Abdul Wahab Pee Vee and Mrs. M. Umadevi retire at the ensuing AGM being eligible, are seeking re-appointment as Directors.

**Auditors :**

M/s. N. C. Rajagopal & Co., Auditors of the Company retire at the conclusion of the ensuing AGM and are eligible for re-appointment.

**Auditors' Remarks :**

Regarding Auditors' remarks on depreciation, your Board wish to inform you that since the plant started operation only from July, 1999, full depreciation is not required.

Regarding irregularity in payment of Provident Fund dues, the Board is glad to inform you that the same is now regularised.

Regarding non provision of central Excise claim the management is of the opinion that the claim made against the company by the Central Excise Department is not legally Tenable and hence it has been shown as contingent liability based on the legal opinion obtained by the company.

**Deposits :**

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 read with Reserve Bank of India's Directions for acceptance of Deposits by Non-Banking Non-Financial Companies.

**Statutory Information :**

Details required in terms of Section 217(2A) of the Companies Act, 1956 in respect of employees earning more than Rs. 3,00,000/- per annum are annexed hereto.

**Conservation of Energy Research & Development:**

The information required under Section 217(2)(e) is annexed to this report and forms part of this report.

**Information Required as per listing Agreement with Stock Exchanges :**

The Company has become Y2K Compliant.

Cash Flow Statement is enclosed

**Acknowledgement :**

Your Directors wish to express their full appreciation for the assistance and co-operation extended to us by ICICI Ltd., Exim Bank, State Bank of India, State Bank of Mysore and State Bank of Travancore.

The Directors also wish to thank all the employees for their support and co-operation.

for and on behalf of the Board

For ARUN PROCESSORS LIMITED.,

Place : Singampettai. Siva.C. Paramasivam

Date : 19-02-2000 Chairman of the meeting.

**ADDENDUM TO DIRECTORS REPORT**

Regarding the observations of the auditors we wish to draw your attention to item

No.3 of Notes on accounts which is self explanatory.

**ANNEXURE - I**

Statement Under Sub-Section (2-A) of Section 217 of the Companies Act 1956.

	Name	Age	Designation	Remuneration	Qualification & Experience	Date of Commencement of employment	Last employment held before joining the company	Percent age of shares
Employed throughout the year	A. Mohan	47	Managing Director	7,44,000/-	B.Sc.,(Agri)	1-12-1991	-	6.14
Employed for part of the year				N/A				

**ANNEXURE - II****FORM - A**

(SEE RULE - 2)

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

	CURRENT YEAR	PREVIOUS YEAR
<b>A. POWER AND FUEL CONSUMPTION</b>		
1. Electricity		
(a) Purchased Units	849064	662848
Total Amount (Rs)	3565134	2664938
Rate/Unit (Rs)	4.20	4.02
(b) Own Generation		
(I) Through diesel generator Units	463195	45059
Units per ltr or diesel Oil	2.81	1.99
Rate/Unit (Rs)	6.04	4.28
(II) Through steam turbine generator	N/A	N/A
2. Coal	N/A	N/A
3. Furnace oil (Ltr)	321492	276750
4. Diesel (Ltr)	164838	22689
5. Diesel (Rs)	2796308	192857
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
Electricity (Units)	3.70	28.47
Furnace Oil (Ltr)	10.38	11.13