



ARUNA SUNRISE HOTELS LIMITED



39th Annual Report 2000 - 2001

ARUNA SUNRISE HOTELS LIMITED

DIRECTORS

Dr. P. MARUTHAI PILLAI
Chairman

Dr. B. S. ADITYAN

Shri M. UTTAM REDDI

Shri R. N. BANSAL

Shri T. K. ROY
Nominee Director - GIC

Shri M. SIVARAM
Managing Director

COMPANY SECRETARY

Shri D. Ramjée

AUDITORS

M/s. S. Viswanathan
Chennai - 600 004.

INTERNAL AUDITORS

M/s. Shankar Sadguru & Co.,
Chennai - 600 086.

VICE PRESIDENT - FINANCE

Shri V. Sundaram

ADVISER - HOTEL DIVISION

Shri Suresh Mudhok

CHIEF EXECUTIVE - ALUM DIVISION

Shri S. Maran

CORPORATE & REGD. OFFICE

'Aruna Centre',
145, Sterling Road,
Chennai - 600 034

HOTEL DIVISION

QUALITY HOTEL ARUNA
144, Sterling Road,
Chennai - 600 034.

CHEMICAL DIVISION

Plot No. 33, SIPCOT Industrial Complex,
Ranipet - 632 403
Vellore Dist. (TN)

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**THIRTY NINTH ANNUAL
GENERAL MEETING**

Day : Wednesday
Date : 26-09-2001
Time : 10.30 a.m.
Venue : THE MUSIC ACADEMY
(Kasthuri Srinivasan Hall)
168(306), TTK Road,
Chennai - 600 014.

NOTE :

Members are requested to bring this copy along with them to the General Meeting



NOTICE TO SHAREHOLDERS

Notice is hereby given that the Thirty Ninth Annual General Meeting of the Company will be held at 10.30 A.M. on Wednesday, the 26th September 2001 at The Music Academy, ("Kasthuri Srinivasan Hall"), 168/306, T.T.K. Road, Chennai-600 14 to transact the following business:

ORDINARY BUSINESS:

1. To consider and, if deemed fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED THAT the Directors' Report, Audited Balance Sheet as at, and the Profit & Loss Account for the year ended, 31-03-2001 and the Auditors' Report thereon, be and are hereby adopted".

2. To consider and, if deemed fit, to pass the following resolutions, with or without modification(s), as Ordinary Resolutions:

"RESOLVED THAT Dr. B.S. Adityan, who retires by rotation and who being eligible, offers himself for reappointment, be and is hereby appointed as a Director".

"RESOLVED THAT Shri R.N. Bansal, who retires by rotation and who being eligible, offers himself for reappointment, be and is hereby appointed as a Director".

3. To consider and, if deemed fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED THAT M/s.S.Viswanathan, Chartered Accountants, Chennai-600 004 retiring Auditors, be and are hereby re-appointed as Auditors of the Company from the conclusion of the Thirty Ninth Annual General Meeting till the conclusion of the Fortieth Annual General Meeting of the Company on a remuneration of Rs.50,000/- (Rupees Fifty Thousand Only) plus reimbursement of out-of-pocket expenses".

SPECIAL BUSINESS:

4. To consider and, if deemed fit, to pass the following resolution, with or without modification(s), as a Special Resolution:

"RESOLVED as a Special Resolution and subject to compliance with statutory requirements that consent of the Members be and is hereby given for delisting the shares of the Company from Ahmedabad Stock Exchange.

By order of the Board
For Aruna Sunrise Hotels Limited

Chennai - 600 034.
11.7.2001

D. RAMJEE
Company Secretary

NOTES

1. A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself, and such proxy need not be a member.
2. Proxy, forms, complete in all respects, should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting. Form of Proxy is enclosed.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 19-09-2001 to 26-09-2001 (both days inclusive).
4. An explanatory statement, pursuant to the provisions of Section 173 (2) concerning item No.4 to be considered as Special Business, is attached.
5. As the trading of shares of the Company is now permitted only in demat form, those members who wish to convert their shares into demat form may write to the Company sending the physical certificates.
6. Those members, who wish to continue to hold the shares in physical form, may write to the Company to enable the Company to send them necessary stickers for change of name of the Company to be affixed on their share certificates.
7. M/s. MCS Limited, 225, Thambu Street, Chennai-600 001 have been appointed as Registrars for transfer of shares in electronic form.
8. Members are requested to intimate changes if any, in their Registered address to the Company.

ARUNA, SUNRISE HOTELS LIMITED

9. The unpaid amounts of dividend, up to 1993/94 dividend, have been transferred to the Central Government. The shareholders, who have not encashed the dividend warrants for any year up to the above financial year, are requested to claim the amount from the Registrar of Companies (Tamilnadu) No.26, Haddows Road, Chennai-600 006.

10. Consequent on amendment to Sec 205-A of the Companies Act, 1956 and introduction of Sec.205-C by the Companies Amendment Ordinance, 1999, the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund. Hence, those Shareholders who have not encashed the dividend warrants for the year ended 31st March 1995 are requested to make their claim to the Company.

11. Reappointment of Directors:

Dr. B.S. Adityan, aged about 65 years, joined the Board in the year 1963. He is an Arts graduate from University of Madras. He has been conferred Doctorate by Madurai Kamarajar University in the year 1994 and by Annamalai University in the year 1995. He is Director of Daily Thanthi group of publications. He has been a member of Senate / Syndicate in Madurai Kamaraj University, University of Madras, Annamalai University and Bharatidasan University. He is a former Sheriff of Madras. He has held the positions of Life President of Indian Olympics Association, Vice-President of Olympic Council of Asia, Executive Vice President of international

Volleyball Confederation, President of Volleyball Federation of India, President of Swimming Federation of India, etc. He is Chairman of Sun Paper Mills Ltd. and Director in India Cements Ltd., Gay Travels P. Ltd, Nellai Murasu P. Ltd., Educational Trustee Co. (P) Ltd., India Cements Capital & Finance Ltd., Sivanthi Farms P. Ltd., Miot Hospitals Ltd., India Cabs P. Ltd.

Shri RN. Bansal, aged about 68 years, joined the Board on 27/7/1989. He holds Masters degree in Economic and is a Fellow Member of the Institute of Chartered Accountants of India and an Associate Member of the Institute of Company Secretaries of India. He has served the Department of Company Affairs for more than three decades, and has held such senior positions as Registrar of Companies, Regional Director and Member, Company Law Board. He has served as nominee of Central Government on the Central Council of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India and on the Governing Boards of Stock exchanges, etc. He is on the Board of Chambal Fertilisers & Chemicals Ltd., Universal ABB Power Cables Ltd., Essar Shipping Ltd., Vardhman Polytext Ltd., Orient Ceramics & Industries Ltd., Hindoostan Spinning & Weaving Mills Ltd., Gobind Sugar Mills Ltd., Spice Net Ltd., Jonas Woodhead & Sons (India) Ltd, Pushpsons Industries Ltd., Usha Martin Infotech Ltd., Imaging Products P.Ltd. and HVS Computer & Management Services P. Ltd.

EXPLANATORY STATEMENT

The Company's, equity shares are currently listed in Chennai, Mumbai and Ahmedabad Stock Exchanges. Over the years, the volume of trading of our shares has come down drastically. As the shares are listed in Mumbai Stock Exchange, shareholders in the western part of the country would be able to trade in our shares through Mumbai Stock Exchange. Therefore, it is proposed to de-list the shares

from the Stock Exchange, Ahmedabad. It is proposed to give an exit option to the shareholders residing in Gujarat area, details of which would be published in newspapers and circulated to them, in accordance with the guidelines issued by SEBI. Members may approve the proposal.

None of the Directors are interested in the resolution.



DIRECTORS' REPORT

Your Directors have pleasure in presenting their Thirty Ninth Annual Report, together with the Audited Accounts of the Company for the financial year 2000/2001 consisting of 12 months from 01-04-2000 to 31-03-2001.

FINANCIAL RESULTS

During this financial year, your Company made a turnover of Rs.1246.85 lakhs and earned cash profit of Rs.124.10 lakhs. However, after writing off Rs.9.20 lakhs towards Deferred revenue expenses, and providing a sum of Rs.97.01 lakhs towards depreciation, there has been a net profit of Rs.17.89 lakhs. The details are given below:

	Rs. in lacs	
	2000/2001	1999/2000
Gross Profit before Financial charges and depreciation.	136.57	63.86
Less:		
Financial Charges	12.47	40.77
Depreciation	97.01	96.59
Deferred Revenue Expenditure	9.20	35.11
Net Profit / (Loss)	17.89	(108.61)

A sum of Rs.25 lakhs being the Rights Issue Expenses not written off has been adjusted against the Share Premium Account.

After considering the above financial results, the Reserves & Surplus as on 31-03-2001 stands at Rs 1199.35 lakhs, without revaluation of assets, and the net worth of your company as on the said date is Rs. 2405.22 lakhs.

REVIEW OF OPERATIONS

HOTEL DIVISION

During the year under review, the Hotel Division achieved an average occupancy of 67.2% and contributed to the profits. In order to face the increasing competition from new hotels that have already come up/are coming up in the near future, we have taken up the refurbishing of the Hotel and this is being carried out in phases.

The proposals to set up facilities like a health club, specialty restaurant and business centre

are in advanced stage of consideration. These are expected to contribute to the profitability of the Company.

CHEMICAL DIVISION

During the period under review, the Alum Unit produced 10610 tonnes of ferric alum and sold 10933 tonnes. The efficiency of the plant has improved after the revamping of the plant carried out last year. However, this unit did not contribute to the profits as it had faced stiff competition from small-scale units, which have sprung up in different parts of Tamil Nadu and enjoy the benefit of exemption from excise duty.

The advisability of retaining the Alum Unit as a division of our company in the context of increasing competition from the small-scale units is being evaluated and if considered prudent, we would have to seriously consider hiving off this unit. The shareholders have already passed a resolution under Section 293(1)(a) of the Companies Act, 1956, authorizing the Board of Directors on an earlier occasion to dispose of this unit. Based on the evaluation, appropriate decision will be taken by the Board of Directors.

CURRENT YEAR'S PROSPECTS

Having regard to economic scenario of slow down, competition is increasing in the Hotel Industry. However, the renovation/refurbishment of the Hotel and the new facilities being set up in the adjacent building are expected to help us meet the challenges. Steps are also being taken to improve the performance of the Alum Unit.

CHANGE OF NAME

As approved by Members, and after getting necessary approval of the Registrar of Companies, Government of India, the name of the Company has been changed from Aruna Sugars & Enterprises Limited to **ARUNA SUNRISE HOTELS LIMITED** effective from to indicate the main business of the Company consequent on the divestment of Sugar & Distillery Undertakings.

DEMATERIALISATION OF SHARES

Pursuant to the directive of Securities & Exchange Board of India, the trading of the Company's shares in demat form has already commenced from February 2001. Those shareholders who wish to opt for dematerialisation of their shares may contact the Depository Participant.

ARUNA SUNRISE HOTELS LIMITED**DELISTING OF SHARES FROM
AHMEDABAD STOCK EXCHANGE**

The Company's equity shares are currently listed in Chennai, Mumbai and Ahmedabad Stock Exchanges. Over the years, the volume of trading of our shares has come down drastically. As the shares are listed in Mumbai Stock Exchange, shareholders in the western part of the country would be able to trade in our shares through Mumbai Stock Exchange. Therefore, it is proposed to de-list the shares from the stock Exchange, Ahmedabad.

FIXED DEPOSITS

As on 31-03-2001, a total sum of Rs.10, 000/- due to fixed deposit holders remained unclaimed and this amount has since been paid on claim.

BOARD OF DIRECTORS

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of your company, Dr. B.S. Adityan and Shri.R.N. Bansal, retire by rotation at the 39th Annual General Meeting and, being eligible, offer themselves for re-appointment.

AUDITORS

At the Annual General Meeting, the members have to appoint Auditors for the period from the conclusion of the 39th AGM till the conclusion of the 40th AGM. M/s.S.Viswanathan, Chartered Accountants, Chennai-600 004, the retiring Auditors, are eligible for re-appointment and they have confirmed that their re-appointment, if made, will be within the limits specified under Section-224 (1-B) of the Companies Act, 1956.

STATUTORY PARTICULARS

There were no employees in receipt of remuneration of more than Rs.100, 000/- per month or Rs.12, 00,000/- per annum in aggregate, during the year.

Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo, have been given in Annexure-I.

**DIRECTORS' RESPONSIBILITY
STATEMENT**

Your Directors confirm:

- a) That in preparation of the annual Accounts, the applicable accounting standards have been followed along with proper explanation.
- b) That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31st March 2001 and of the profit of the Company for that year.
- d) That the Directors had taken proper and sufficient care for maintenance of adequate accounting records for the year ended 31st March 2001 in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for prevention of fraud and other irregularities.
- e) That the Directors had prepared the Annual Accounts on an ongoing basis.

ACKNOWLEDGEMENT

Your Directors wish to take the opportunity to thank the State Government, Punjab National Bank, HDFC Bank and ICICI Bank for the co-operation extended by them.

Thanks are also due M/s. Choice Hospitality India P.Ltd. (formerly Quality Inn India P.Ltd.) for their franchise and management of our Hotel.

Your Directors also wish to thank the Members for the continued confidence they repose in the Management and the Employees for their sincere services and co-operation.

BY ORDER OF THE BOARD

Date : 11.07.2001
Chennai-600 034

P. MARUTHAI PILLAI
Chairman