

ANNAMALLAI FINANCE LTD



ANNUAL REPORT 2000-01



ANNAMALLAI FINANCE LTD

Board of Directors	Sri S.V. Balasubramaniam	Chairman
	Sri S.V. Alagappan	Vice-Chairman
	Sri M. Nataraj	
	Sri V. Venkata Reddy	
	Dr. S.V. Kandasami	
	Sri S.V. Balakrishnan	
	Sri S.V. Arumugam	Managing Director
Registered Office	252, Mettupalayam Road Coimbatore - 641 043 Phone : 435555 E-mail : afl@vsnl.com	
Textile Mill	Velvarkottai Dindigul District - 624 803	
Bankers	State Bank of India Canara Bank Indian Overseas Bank The Karur Vysya Bank Ltd Union Bank of India UCO Bank The Catholic Syrian Bank Ltd State Bank of Travancore The Lakshmi Vilas Bank Ltd Indian Bank Bank of India The Nedungadi Bank Ltd ICICI Bank Ltd.	
Auditors	Messrs V.K.S. Aiyer and Coy. Chartered Accountants Coimbatore	
Internal Auditors	Messrs C.S.K. Prabhu & Co. Chartered Accountants Coimbatore	
Company Secretary	Sri N. Avinashilingam	
Share Transfer Agents	SKDC Consultants Ltd. 11, Street No. 1, S.N. Lay-out, Tatabad, Coimbatore - 641 012. Phone : 499856	

Annamallai Finance Limited

Notice to Shareholders

NOTICE is hereby given that the **Twenty First Annual General Meeting** of the Shareholders of the Company will be held on Friday the 16th day of August 2002 at 4.30 P.M at Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore-641 037 to transact the business set out in the Agenda given below:

You are requested to make it convenient to attend the meeting.

Agenda

1. To consider and adopt the audited Profit and Loss Account for the period ended 31st December, 2001 and the audited Balance Sheet as at that date and the Reports of the Directors and Auditors' thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in the place of Sri. S.V. Balakrishnan who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in the place of Sri. S.V. Alagappan who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

Special Business

6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

RESOLVED that Sri. V. Venkata Reddy, who was co-opted as an Additional Director of the Company on the Board as per Article 72 of the Articles of Association of the Company and who holds office till the conclusion of the ensuing 21st Annual General Meeting, be and is hereby appointed as a Director of the Company.

7. To consider and if thought fit to pass with or without modification the following Special Resolution:

RESOLVED that subject to the approval of Central Government under Section 21 and other applicable Provisions of the Companies Act, 1956 and pursuant to Clause 8 of the Scheme of Amalgamation of Shiva Texyarn Limited with the Company sanctioned by the Order of the High Court of Madras dated 19.6.2002, the name of the Company be changed from "Annamallai Finance Limited" to "Shiva Texyarn Limited" and that the change of name of the Company from "Annamallai Finance Limited" to "Shiva Texyarn Limited" be effected in the Memorandum of Association of the Company and the Articles of Association of the Company.

8. To Consider and if thought fit to pass with or without modification the following Special Resolution:

RESOLVED that consent/sanction/approval of the company be and is hereby accorded for the following amendments to Memorandum of Association:

- I. The existing sub-clauses (1) and (2) of Part III (A) of the Memorandum of Association be renumbered as sub-clauses (2) and (3) respectively.
- II. The existing sub-clause (3) of Para-III(C) of the Memorandum of Association presently under other objects of the company, be shifted to main objects of the company and inserted as sub-clause (1) of Para-III(A) which reads as under:
 "To carry on the business as ginner, spinners, weavers, dyers, manufacturers, balers and pressers of all cotton, jute, silk, hemp, wool, hair, rayon and other fibrous materials and the cultivation thereof and the business of buyers and sellers of and dealers in cotton, jute, silk, hemp, wool, hair, rayon and any other fibrous materials and transacting of all manufacturing, curing, preparing, colouring, dyeing or bleaching processes and purchasing and vending the raw materials and manufactured articles; purchasing, combining, preparing, spinning, weaving, dyeing, bleaching, printing, manufacturing, selling and otherwise dealing in yarn, linen, cloth and other goods and fabrics made from cotton, jute, silk, hemp, wool, hair, rayon and any other fibres or fibrous substance; weaving or otherwise manufacturing, buying, selling and dealing in all kinds of cloth and other goods and fabrics, whether textiles, felted, netted or looped."
- III. The existing sub-clauses (4) to (31) of Para-III (C) of the Memorandum of Association be renumbered as sub-clauses (3) to (30) respectively.

By order of the Board,

Coimbatore
10.07.2002

N. Avinashilingam
Company Secretary

Notes :

1. ANY MEMBER ENTITLED TO ATTEND AND VOTE AT THE GENERAL MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, should be deposited with the Company, forty eight hours before the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 10.8.2002 to 16.8.2002 (both days inclusive).



4. The dividend, if declared, will be paid to those members whose names appear on the Register of Members of the Company as on 16.8.2002. In respect of shares held in dematerialised form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the Depositories for this purpose at the end of business hours on 9.8.2002.
5. As per the provisions of the Income Tax Act, 1961 as amended by the Finance Act, 2002, Income-tax and surcharge @ 10.5% is required to be deducted at source if the gross amount of dividend payable to a Resident Individual Shareholder during the financial year exceeds Rs.1,000/-.
Resident Individual Shareholders who are likely to receive dividend amount more than Rs.1,000/- during a financial year and their total estimated income from dividend and sources as provided in Section 197A (1B) of the Income Tax Act during such financial year is not likely to exceed Rs.50,000/- can claim gross dividend without deduction of tax at source by submitting declaration in Form 15G (in duplicate) with the Company on or before 10th August, 2002. Please note that it would not be possible for the Company to act upon 15G declarations received thereafter.
6. Pursuant to Section 205A of the Companies Act, 1956, the Company has transferred all unclaimed equity dividend up to the financial year ended 31st March, 1995, to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Stock Exchange Building, II Floor, Trichy Road, Singanailur, Coimbatore-641 005 in the prescribed form which will be supplied by the Company on request.
7. Pursuant to Section 205C of the Companies Act, 1956, the Unpaid Dividends for the years ended 31st March 1996, 1997, 1998, 1999 and for the period ended 30th June 2000 which remain unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Bank Account will be transferred to the Investor Education and Protection Fund; upon such transfer, no claim shall lie against the company or the Central Government for such unclaimed dividend.

Explanatory Statement Under Section 173 of the Companies Act, 1956

Item No. 6

Sri. V. Venkata Reddy was co-opted as an Additional Director on the Board on 28.3.2001. As per Article 72 of the Company's Articles of Association, he holds office upto the date of the ensuing 21st Annual General Meeting. A notice proposing Sri.V.Venkata Reddy as a Director has been received from a member of the Company along with requisite deposit. Considering his rich experience in corporate management, the Board recommend his appointment.

Sri. V. Venkata Reddy is deemed to be interested in Item No. 5 above.

Item No. 7

Consequent to the Amalgamation of Shiva Taxyarn Limited with the Company and as per Clause 8 of the Scheme of Amalgamation sanctioned by the High Court of Madras by their Order dated 19.6.2002, the Name of the Company is to be changed to "Shiva Taxyarn Limited" and such change of Name shall take effect from the Date of Dissolution of Shiva Taxyarn Limited or 30.9.2002 whichever is later. The Change of name is intended to reflect the predominant nature of the business of the Company after amalgamation.

The necessary Special Resolution is proposed pursuant to Section 21 of the Companies Act, 1956 and in implementation of Clause 8 of the Scheme of Amalgamation. The change of name is subject to the approval of the Central Government as required under Section 21 of the Companies Act, 1956.

Item No. 8

Consequent to the effect of the Scheme of Amalgamation of Shiva Taxyarn Limited with the Company, the principal line of business of the company will be manufacture and sale of Cotton Yarn. The company has also ceased to be a Non-Banking Financial Company and has acquired the status of an Industrial Company. The proposed changes in the Memorandum of Association of the Company are intended to reflect the change in the status of the Company and indicate the principal line of business of the company.

None of the Directors of the Company is concerned or interested in the said resolution.

Coimbatore
10.07.2002

By Order of the Board,
N. Avinashlingam
Company Secretary

Annamallai Finance Limited

Reappointment of Directors

A brief resume in respect of the proposed re-appointment of Directors is given below in terms of clause 49 of the Listing Agreement.

Name : Sri.S.V.Balakrishnan
Age : 49 years
Qualification : B.Com.,B.L.
Date of Appointment : 28.5.1980
Experience : 24 years business experience.
Other : Annamallai Industries Ltd.
Directorships : (Joint Managing Director)
 Annamallai Properties Ltd.
 Annamallai Retreading Company Ltd.
 Bannariamman Finance Ltd.
 Bannari Amman Spinning Mills Ltd.
 Coimbatore Agro Industries Ltd.
 Cascade Garments Ltd.
 Shiva Cargo Movers Ltd.
 Shiva Taxyarn Ltd.
 Anamallais Agencies (P) Ltd.
 Annamallai Estates (P) Ltd.
 Bannari Amman Automobiles (P) Ltd.
 Sakthi Murugan Transports (P) Ltd.
 Sangameswar Agencies (P) Ltd.
 Vedanayagam Hospital (P) Ltd.
 Vedanayagam Enterprises (P) Ltd.

Member of Committees : Nil

Name : Sri.S.V.Alagappan
Age : 61 years
Qualification : B.Com.,B.L.
Experience : 36 years business experience.
Other :
Directorships : Annamallai Retreading Company Ltd.
 (Managing Director)
 Annamallai Industries Ltd.
 Annamallai Properties Ltd.
 Bannari Amman Sugars Ltd.
 Bannariamman Finance Ltd.

Bannari Amman Spinning Mills Ltd.
 (Managing Director)
 Bannari Amman Enterprises Ltd.
 Bannari Amman Exports Ltd.
 Cream Investment & Trading Co.Ltd.
 Coimbatore Agro Industries Ltd.
 Kerala Alcoholic Products Ltd.
 Shiva Cargo Movers Ltd.
 Shiva Distilleries Ltd.
 Shiva Taxyarn Ltd.
 Anamallais Agencies (P) Ltd.
 Annamallai Estates (P) Ltd.
 Annamallai Enterprise (P) Ltd.
 Sakthi Murugan Transports (P) Ltd.
 Sangameswar Agencies (P) Ltd.
 Shiva Automobiles (P) Ltd.
 Vadivelan Enterprises (P) Ltd.
 Vedanayagam Hospital (P) Ltd.

Member of Committees : Member
 Share Transfer Committee
 Annamallai Finance Ltd.

Name : Sri.V.Venkata Reddy
Age : 63 years
Qualification : M.B.A
Experience : 34 years industrial experience
Other :
Directorships : Abirami Sugars Ltd.
 Bannari Amman Sugars Ltd.
 Shiva Taxyarn Ltd.

Sri Kollapuri Amma Enterprises (P) Ltd.
 Sri Kollapuri Amma Agro Industries (P) Ltd.
 Sri Balaji Pilgrim Comforts (P) Ltd.

Member of Committees : Chairman, Shareholders/Investors
 Grievance Committee, Annamallai Finance Ltd.
 Member, Audit Committee,
 Annamallai Finance Ltd.
 Chairman, Audit Committee,
 Bannari Amman Sugars Ltd.



Directors' Report

Your Directors have great pleasure in presenting the **Twenty First Annual Report** together with the audited statement of accounts of the Company for 18 month period ended 31st December, 2001.

Financial Results

The working results of the Company includes the revenue and profits earned from the Textile undertaking of Shiva Texyarn Limited arising from amalgamation of the said Company with your Company effective from 1.1.2001. The working results have been summarised as stated below:-

	(Rs. in lakhs)
Sales and other operating receipts	10736.47
Income from Investments	170.51
Other Income	94.21
Total	11001.19
Profit before provision for non-performing assets/investments, depreciation and lease equalisation charges	1888.56
Add: Provision for non-performing assets/doubtful debts and advances – excess written back	27.77
Add: Provision for fall in value of investments – excess written back	1.62
	1917.95
Less: Provision for Depreciation & Lease Equalisation Charge	1526.88
Profit before prior period and extraneous item	391.07
Less: Prior period and extraneous item	75.00
Net Profit before tax	316.07
Less: Provision for taxation	
(a) Current Year	55.25
(b) Previous Year	1.53
Profit after tax	259.29
Add: Opening Surplus	80.75
Total Profit available for appropriations	340.04
Appropriations:	
Provision for Equity Dividend	101.27
Debenture Redemption Reserve	25.00
Transfer to General Reserve	200.00
Surplus carried over	13.77
	340.04

DIVIDEND

Your Directors have pleasure to recommend a **dividend of 9%** (last year 6%) on the paid up share capital of the Company (excluding the share capital for which the allotment is made after the close of the year under the scheme of amalgamation), which absorbs Rs.101.27 lakhs. The dividend will be paid subject to deduction of tax at source wherever applicable.

REVIEW OF BUSINESS

(a) Textile Division

The Textile undertaking, being an export oriented mill fully equipped for manufacture of combed / auto coned yarn,

acquired by the Company under the scheme of amalgamation of Shiva Texyarn Limited with your Company, continues to perform well.

During the year under review, the mill achieved production of 5,458.54 MT and sales 5,252.69 MT of cotton yarn. The sales includes 3,613.11 MT by way of export. This division achieved total sales of Rs.6982.83 lacs of which export sales amounted to Rs.4423.63 lacs, constituting 63% to the total revenue.

The timely purchase of quality cotton at international and domestic market, helped the Company to maintain the cost of raw material at reasonable level and also improve the quality of yarn produced, which is evident from growth

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in export performance. Hence, this division made significant contribution to the earnings of the Company.

(b) Finance Division

During the period under review, your Company deployed Rs.2761.34 lakhs (Rs.3464.00 lakhs) against assets delivered under hire purchase. The Company as a business policy stopped deployment of funds on equipments for lease as against Rs.1236.34 lakhs invested in the previous period under financial lease. On account of reducing volume of business available, stiff competition from institutional lenders and banks and with a view to pursue industrial activity as principal line of business, your Directors consciously reduced the Company's exposure on financial assets. Hence, the revenue generated by this division was comparatively lower than the amount earned in the previous period of 15 months.

(c) Wind Mills

The windmills have produced 322.14 lakhs units of wind electricity (previous period 197.67 lakhs units). The wind electricity has now become a captive source of power for the textile mill owned by the Company and the surplus power is disposed off through TNEB distribution lines to other earmarked industries and also to TNEB. This division generated a revenue of Rs.1057.20 lakhs of which electricity of Rs. 564.36 lakhs is consumed by the Textile Division.

BUSINESS PROSPECTS

(a) Textile Division

Your Directors are optimistic that with constant measures taken for technological upgradation and modernisation by installing various equipments, the textile mill will continue to maintain high production quality, to sustain its export performance. With stability in cotton and yarn prices witnessed in the recent months, both in domestic and international markets, the working results of this division is likely to be remunerative.

(b) Finance Division

Your Directors have been taking vigorous steps to realise all overdue instalments of hire purchase, lease and other financial assets and thereby reduce its exposures in such assets. This will help the Company to reduce the outstanding liability against funds mobilised for the said division.

(c) Wind Mills

The operations of the wind mills is likely to generate more profits with progressive reduction in interest cost by repayment of all the outstanding term loans against the wind mills.

Hence, the overall performance of the company is likely to be profitable in the year ahead.

AMALGAMATION OF SHIVA TEXYARN LIMITED

The Hon'ble High Court of Madras by their Order dated 19.6.2002 approved the scheme of amalgamation of Shiva Texyarn Limited with your Company. The scheme of amalgamation has come into effect from 1st day of January 2001 by which your Company has become the owner of the textile undertaking. The accompanying audited accounts incorporate the figures pertaining to the textile undertaking, by giving accounting effect to the scheme from 1.1.2001.

SHARE CAPITAL, RESERVES AND SURPLUS

By giving effect to the scheme of amalgamation, the paid up share capital of the company stands increased to Rs.2160.45 lakhs. The shareholders of Shiva Texyarn Limited have been allotted on 10.7.2002, 1,03,52,121 equity shares of Rs.10/- each fully paid up at a premium of Rs.5/- per share, as per the scheme of amalgamation. After giving effect to the scheme of amalgamation and appropriations made out of the profits of the year under review, the reserves and surplus of the company stood at Rs. 6869.35 lakhs as against Rs.3096.54 lakhs as at the beginning of the year.

CHANGE OF STATUS OF THE COMPANY

In view of the vesting of the Textile undertaking in your Company with effect from 1.1.2001 under the scheme of amalgamation, the status of your company has changed from a Non-Banking Finance Company (NBFC) to the status of an Industrial Company, the Company's principal line of business being manufacture and sale of cotton yarn. Hence, the company ceased to be a Non-Banking Finance Company eligible for registration under Reserve Bank of India Act. Your Company has opted to surrender the registration granted by Reserve Bank of India under Section 45-IA of the RBI Act, 1934.

CHANGE OF NAME OF THE COMPANY

As per the scheme of amalgamation, to reflect the current principal business in its name, the company shall adopt the name of Shiva Texyarn Limited from the date of dissolution of Shiva Texyarn Ltd. or 30.9.2002 whichever is later. To implement this proposal, necessary resolution is placed before the shareholders for their approval at the ensuing Annual General Meeting.

PUBLIC DEPOSITS

The Company stopped accepting any public deposits as an NBFC with effect from 1.1.2001. The Company reduced the outstanding deposits to the limit permissible to the Company under Section 58A of the Companies Act, 1956, read with the Company's (Acceptance of Deposits) Rules 1975, which are applicable to the Company as an industrial



company. As at the close of the year, there were 767 deposits involving Rs.97.73 lakhs, remaining unclaimed. Out of this, 453 deposits involving Rs.63.46 lakhs have since been repaid as per the instructions of the depositors. Efforts are on to get the instructions of the remaining depositors to expedite repayment.

PARTICULARS OF ENERGY CONSERVATION, RESEARCH AND DEVELOPMENT, ETC.

The particulars of energy conservation, research and development, foreign exchange inflow/outflow, etc., required to be disclosed as per Section 217(1)(e) of the Companies Act, 1956, in respect of Textile Division owned by the Company, are contained in Annexure-1.

SUBSIDIARY COMPANIES

Cream Investment and Trading Company Limited, ceased to be a subsidiary of your Company with effect from 24.9.2001.

Annamallai Properties Limited continues to be the subsidiary of your Company and the audited statement of accounts of the subsidiary for 15 months period ended 31.12.2001 is attached along with the statements of your company. Particulars under section 212 of the Companies Act, 1956 in respect of this subsidiary is furnished in Annexure-2.

DIRECTORS

Sri.S.V.Balakrishnan and Sri.S.V.Alagappan, Directors of your Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Sri.V.Venkata Reddy was co-opted as an Additional Director on the Board on 28.3.2001. He holds office upto the date of the ensuing Annual General Meeting. Considering his rich experience in corporate management, the Board recommends his appointment in the ensuing Annual General Meeting.

AUDIT COMMITTEE

The Audit Committee of Directors comprised of Sri.M.Nataraj as Chairman, Sri.V.Venkata Reddy and Sri.S.V.Balasubramaniam being the members.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 217(2AA) of the Companies Act, 1956 your Directors confirm that :

- i) *Your Directors have followed the applicable accounting standards in the preparation of annual accounts;*
- ii) *Your Directors have selected such accounting policies and applied them consistently and made judgments 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 period ended December 31, 2001 and of the profit of the company for that period;

- iii) *Your Directors have taken proper and sufficient care 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; and*
- iv) *Your Directors have prepared the annual accounts on a going concern basis.*

CORPORATE GOVERNANCE

The Securities and Exchange Board of India, vide an amendment to the listing agreement, has now directed listed companies to follow a uniform Code of Corporate Governance which applies to your company from 31.3.2002. Necessary reporting will be made from the ensuing Annual Report.

PARTICULARS OF CERTAIN EMPLOYEES

There were no persons in the employment of the Company during the accounting period under review, drawing a remuneration of Rs.24.00 lakhs per annum or Rs.2.00 lakhs per month when employed for a part of the year. Hence, no information is required to be furnished as per Section 217(2A) of the Companies Act, 1956.

LISTING

The Shares of the Company continues to be listed with National Stock Exchange Limited, Mumbai, Madras and Coimbatore Stock Exchanges and the Company has paid the prescribed annual listing fee.

AUDITORS

M/s.V.K.S.Aiyer and Coy., Chartered Accountants, Coimbatore will retire at the ensuing 21st Annual General Meeting of the Company and are eligible for reappointment. A certificate under Section 224(1B) of the Act, has been received from them.

ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks to the Bankers who have granted financial assistance to the Company by way of Term Loans and Working Capital, Cash Credits and for their continued support. Your Directors also thank the customers and depositors of the Company for their support and confidence reposed in the Company and to the employees at all levels for their co-operation and dedication.

Coimbatore
10.07.2002

By order of the Board,
S.V. Balasubramaniam
Chairman

Annamallai Finance Limited**Annexure 1 to Directors' Report****Information pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988****A) CONSERVATION OF ENERGY**

- a) Energy Conservation Measures taken
Nil
- b) Additional Investments and Proposals, if any, being implemented for reduction of consumption of energy
Nil
- c) Impact of the measures (a) and (b) above for reduction of energy consumption and consequent impact on cost of production goods
Nil

d) Form A : Particulars with respect of energy conservation**I. POWER AND FUEL CONSUMPTIONS**

Current Year

1. Electricity**a) Purchased (*)**

Units		181.76 lakhs
Total amount	Rs.	717.95 lakhs
Rate per unit	Rs.	3.95

(* Includes power availed from Wind Mills)

b) Own generation**i) Through Diesel Generator**

Units		9.53 lakhs
Units / litre of Diesel		3.48
Total Amount	Rs.	44.45 lakhs
Cost / unit	Rs.	4.66

ii) Through Steam Turbine / Generator

Nil

2. Coal

Nil

3. Furnace Oil

Nil

4. Others / Internal Generation

Nil

II. CONSUMPTION PER UNIT OF PRODUCTION

Standards

Current

Product : COTTON YARN (if any)

Year

Production in MT	—	5458.54
Production converted into 40s M.T.	—	3946.10
Electricity units	—	191.29 lakhs
Unit / kg of yarn	—	4.85

B) TECHNOLOGY ABSORPTION**Form B : Particulars with respect to absorption of Research and Development (R & D)**

1. Specific areas in which R & D carried out by the Company Nil
2. Benefits derived as a result of above R & D Nil
3. Future plan of action Nil
4. Expenditure in R & D Nil
5. Technology absorption, adaptation and innovation
- i) Efforts in brief, made towards technology absorption, adaptation and innovation Nil
- ii) Benefits derived as a result of above efforts Nil
- iii) Imported Technology Nil

**C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

	Current Year (Rs. in Lakhs)
i) Total Foreign Exchange used	
Towards travel, training, etc.	0.04
Import of Capital Goods / Spares	47.50
Import of Raw Materials	3790.80
ii) Total Foreign Exchange earned	
FOB Value of Exports of Finished Goods	4375.09

Note : Figures pertain to the period from 01.01.2001 being the date of amalgamation and vesting of Textile undertaking in the Company.

Annexure 2 to Directors' Report**Statement in pursuance of Section 212 (1) (e) of the Companies Act, 1956**

- 1) Name of the Company : **Annamallai Properties Limited**
- 2) Financial year of the subsidiary ended on : **31.12.2001**
- 3) Holding Company's interest in the subsidiary : **19,96,493 Equity Shares of Rs. 10/- each (99.82%)**
- 4) Net aggregate amount of the profits of the subsidiary not dealt with in the holding Company's accounts :
 - a) For the financial year of the subsidiary – 15 months ended 31.12.2001 : **(Rs. 22,36,108/-)**
 - b) For the previous financial years of the subsidiary and upto 31.12.2001 : **(Rs. 1,10,69,420/-)**
- 5) Net aggregate amount of the profits of the subsidiary dealt with in the holding Company's accounts :
 - a) For the financial year of the subsidiary Company : **Nil**
 - b) For the previous financial years of the subsidiary Company : **Nil**