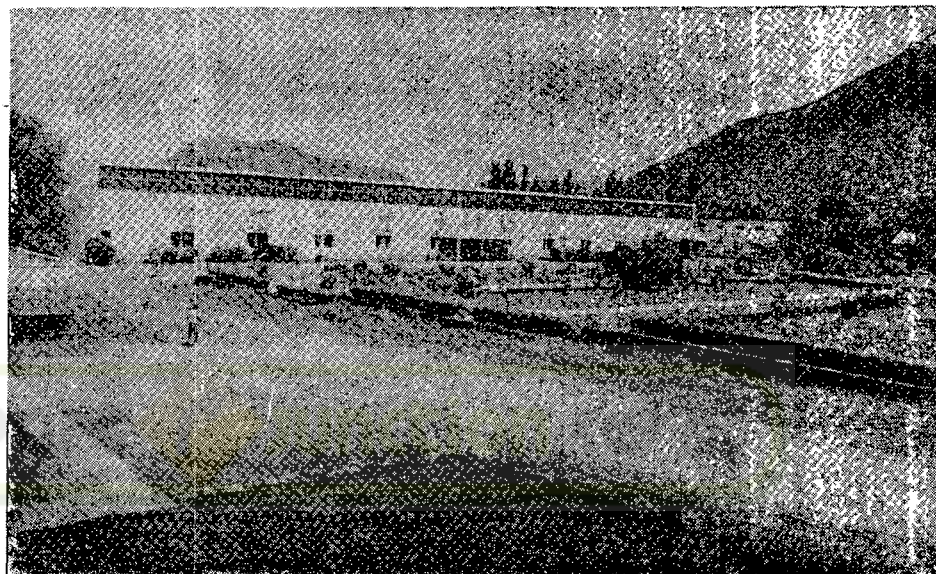


24TH ANNUAL REPORT 1997-98



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



Andhra Pradesh Tanneries Limited



ANDHRA PRADESH TANNERIES LIMITED

BOARD OF DIRECTORS

Sri T. Rajagopal Rao,

Chairman

Sri K.Nageswara Rao,

Executive Director

Sri T.L. Prasad,

Director

Dr. J. Bapureddy, I.A.S., (Rtd), (A.P.I.D.C.Nominee)

Director

Shri A. Appanna Dora

Director

AUDITORS

M/s. Rowe & Pal

Chartered Accountants

Vizianagaram

BANKERS

Union Bank of India

Vizianagaram

REGISTERED OFFICE & FACTORY

Leather Complex Area,

Nellimarla - 535217

Vizianagaram Dist.

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ANDHRA PRADESH TANNERIES LIMITED

NOTICE

NOTICE is hereby given that the TWENTY FOURTH Annual General Meeting of the Share holders of Andhra Pradesh Tanneries Limited will be held on 30-9-98 at 11 A.M. at the Registered Office of the Company. Leather Complex Area, Nallimarla - 535 217, Vizianagaram District to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 1998 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Sri A. Appanna Dora who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Sri K. Nageswara Rao who retires by rotation and being eligible offers himself for reappointment.
4. To consider and if thought fit to pass with or without modification, the following as a special resolution, for appointment of auditors for the year 1998-99.

"Resolved that pursuant to the provisions of Section 224-A and other applicable provisions if any, of the Companies Act, 1956, retiring auditors M/s. Rowe and Pal, Chartered Accountants, Vizianagaram be and are hereby reappointed Auditors of the Company to hold office from the conclusion of this meeting upto the conclusion of the next Annual General Meeting on remuneration of Rs.15,000/- excluding out-of-pocket and travelling expenses in connection with audit.

Registered Office :
Leather Complex Area,
Nellimarla - 535 217,
Vizianagaram Dist.
Date : 22-8-98

By order of the Board

Sd/-
(K.NAGESWARA RAO)
EXECUTIVE DIRECTOR

TWENTY FOURTH ANNUAL REPORT 1997-98**NOTES :**

1. A member entitled to attend the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. The instrument of proxies in order to be effective must be deposited at the Registered Office of the Company not less than Forty Eight hours before the meeting.
3. The relevant explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of business set out in the Agenda is annexed hereto.
4. The Register of Members and transfer books of the Company will be closed from 16-09-98 to 25-09-98 both days inclusive.
5. Share holders are requested to notify change in address if any to the Company.

Item No.4 :

Explanatory Statement Pursuant to Section 173 of the Companies Act, 1956. Under Section 224-A of the Companies Act, 1956 the appointment of Auditors has to be made by passing a special resolution as public financial institutions hold shares in the Company exceeding 25% of the paid-up capital of the company. Hence, the re-appointment of Auditors is being made by this special resolution.

A certificate received from the retiring auditors as required under Section 224(IB) of the Companies Act, 1956 is available for inspection at the Registered Office of the Company during office hours on any working day.

ANDHRA PRADESH TANNERIES LIMITED

DIRECTOR'S REPORT :

To our Share holders:

Your Directors have pleasure in presenting the 24th Annual Report of the Company with the audited accounts for the year ended 31st March, 1998.

Working Results :

The turnover during the year has been of Rs. 302.17 lakhs compared to Rs.668.22 lakhs during previous year. The other receipts on account of export incentives, Commission etc., amounted to Rs. 4.34 lakhs during the period as against Rs.49.17 lakhs during previous year. During the year the Company has incurred net loss of Rs. 38.48 lakhs. The accumulated loss now stands at Rs. 37.31 lakhs after providing for accumulated depreciation of Rs. 111.54 lakhs. The Company has worked to 15.18% of its capacity during the current year.

The Leather Industry is still facing crisis due to recession in International and Domestic markets.

Share Capital :

The Paid-up capital excluding the amount of Rs. 83.875 received on forfeited shares as on 31st March, 1998 stood at Rs.57,39,000.

Fixed Deposits :

No deposits have been received pursuant to Section 58 A of the Companies Act, 1956 and there are no deposits to be repaid and/or claimed.

Auditors:

M/s. Rowe & Pal, Chartered Accountants, Vizianagaram the Company's Auditors retire at the conclusion of the ensuing Annual General Meeting. They have signified their willingness to accept re-appointment and have further confirmed their eligibility under Section 224 (B) of the Companies Act, 1956. The members are requested to appoint the Auditors for the current year and fix their remuneration.

Directors :

Sri A. Appanna Dora retires by rotation and being eligible offer for re-appointment.

Sri K. Nageswara Rao retires by rotation and being eligible offer for re-appointment.

Employees :

As on the date of this report the Company has 212 individuals on pay rolls including executives.

TWENTY FOURTH ANNUAL REPORT 1997-98

Industrial Relations :

The employees relations continued to be cordial. Your Directors wish to place on record their appreciation of the loyalty and devotion of employees at all levels.

Replies on statutory Audit Report :

Item No. 4 (xiii)

The Company is taking appropriate steps to appoint Internal Auditors.

Particulars of Conservation of Energy:

Information as per Section 217 (1) (e) of the Companies Act, 1956 is given in Annexure - I.

Listing of Securities :

The Securities are listed in the following Stock Exchanges :

The Hyderabad Stock Exchange Limited

3-6-275, Himayatnagar,

Hyderabad - 500 029.

The Stock Exchange,

Phiroze Jeejeebhoy Towers,

Dalal Street,

MUMBAI - 400 001.

The Company has paid the Annual Listing Fee for each Exchange regularly.

Acknowledgement :

Your Directors also take the opportunity to express their sincere gratitude to the Government of India, Government of Andhra Pradesh, Industrial Development Bank of India, Industrial Finance Corporation of India, Industrial Credit & Investment Corporation of India Limited. Andhra Pradesh Industrial Development Corporation Limited. Life Insurance Corporation of India, Union Bank of India and other Institutions for extending their valuable support from time to time.

For and on behalf of the Board

Sd/-

T. RAJAGOPAL RAO
(CHAIRMAN)

Nellimarla - 535 217

Vizianagaram District.

Date : 22-8-98

ANDHRA PRADESH TANNERIES LIMITED

ANNEXURE - I

Information as per Section 217 (i) (e) of the Companies Act, 1956.

Read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of Directors Report for the period ended 31st March, 1998.

A. Conservation of Energy :

- a) Energy conservation measures taken : We have been using Jute dust in place of coal as fuel for boiler.
- b) Additional Investment and proposals, if any, being implemented for reduction of consumption of energy. : Nil
- c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods. : Saving in coal consumption 145 tonnes per annum by way of use of jute dust in place of coal.
- d) Requisite data in respect of energy consumption are given below. :

B	POWER & FUEL CONSUMPTION	UNIT	1997-98	1996-97
1)	ELECTRICITY :			
a)	Purchased Unit total	KWH	1,87,824-00	4,61,452-00
	Amount	Rs	10,39,801-00	16,17,340-00
	Rate per Unit	Rs/KWH	5-53	3-50
b)	Own Generation :			
	Through Diesel Generator	KWH	87,280-00	1,65,200-00
	Units/Ltr of Diesel Oil	KWH/LTR	5-18	3-40
	Cost Unit	RS/KWH	1-80	2-45
	Consumption per Unit Production :			
	Standard (if any)			
	Production (with) details	SQ.FT	7,63,693-00	21,41,884-00
	Electricity	RS/SQ.FT	1-36	0-75
2.	Technology absorption		NIL	NIL
	Efforts Made in Technology absorption.			
3.	Foreign Exchange (Earnings & outgo)			
	Earnings	RS	82,25,891-00	1,30,27,905-00
	Used	RS	1,00,846-00	1,97,845-00