

# 25<sup>TH</sup> ANNUAL REPORT 1998-99

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**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 (upto 11-01-1999)

**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 - 535 217

Vizianagaram Dist.

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**ANDHRA PRADESH TANNERIES LIMITED****NOTICE**

NOTICE is hereby given that the TWENTY FIFTH Annual General Meeting of the Shareholders of Andhra Pradesh Tanneries Limited will be held on at 30-09-99 at 11-00 A.M. at the Registered Office of the Company, Leather Complex Area, Nellimarla - 531 217, 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, 1999 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Sri T.Rajagopal Rao who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Sri T.L. Prasad who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit to pass with or without modification the following as special Resolution for delisting the Securities from The Stock Exchange, Mumbai.

The Company has listed the Securities with The Hyderabad Stock Exchange Limited, hyderabad and The Stock Exchange, Mumbai. The Company is paying the Annual Listing Fee regularly to the Stock Exchanges as per the Listing Agreement according to the amendments made from time to time.

The Company has been incurring losses since 01-04-1996 ie., 1996 -97 Rs. 41.06 lakh and 1997-98 Rs. 35.28 lakh. During the Current year also the Company incurred losses. Under the above circumstances the Company is not in a position to pay Annual Listing Fee. hence it is proposed to approach The Stock Exchange, Mumbai to delist our securities from them. As per SEBI regulations vide their letter No. SMDRP/CIR-14/98 dated 29th April, 1998 the Companies can voluntarily delist their securities from Stock Exchange other than Regional Stock Exchange by a Special Resolution approved by the Shareholders. Hence it is now proposed to delist our Securities with Mumbai Stock Exchange and pass the following Special Resolution, if thought fit by the shareholders.

"RESOLVED that the Securities of A.P. Tanneries Ltd listed with Stock Exchange other than Regional Stock Exchanges ie., The Stock Exchange, Bombay be and is hereby delisted with effect from current financial year 1999-2000".

"RESOLVED further that Sri K. Nageswara Rao, Executive Director be and is hereby authorised to communicate the decision of shareholders to The Stock Exchange, Mumbai to delist out securities".

5. To consider and if thought fit to pass with or without modification, the following as an ordinary resolution, for appointment of auditors for the year 1999-2000.

"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 re-appointed 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.18,000/- excluding out-of-pocket and travelling expenses in connection with audit.

Registered Office :  
Leather Complex Area,  
Nellimarla - 535 217,  
Vizianagaram Dist.  
Date : 24-08-99

By order of the Board

Sd/-

**(K.NAGESWARA RAO)**  
**EXECUTIVE DIRECTOR**

## **TWENTY FOURTH ANNUAL REPORT 1998-99**

### **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 16-09-99 to 25-09-99 both days inclusive.
5. Shareholders 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 :

As per the regulations of the Stock Exchanges the Companies can voluntarily delist their securities from Stock Exchange other than Regional Stock Exchange by special resolution.

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

### **Item No. 5 :**

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 officer hours on any working day.

**ANDHRA PRADESH TANNERIES LIMITED****DIRECTOR'S REPORT :****To our Share holders:**

Your Directors have pleasure in presenting the 25th Annual Report of the Company with the audited accounts for the year ended 31st March, 1999.

**Working Results :**

The turnover during the year has been of Rs. 567.86 lakhs compared to Rs.295.16 lakhs during previous year. The other receipts on account of export incentives, Commission etc., amounted to Rs. 13.31 lakhs during the period as against Rs. 11.35 lakhs during previous year. During the year the Company has incurred net loss of Rs. 49.41 lakhs. The accumulated loss now stands at Rs. 86.72 lakhs after providing for accumulated depreciation of Rs. 118.93 lakhs. The Company has worked to 48.76% 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, 1999 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 Accounts, 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 T. Rajagopal Rao retires by rotation and being eligible offer for re-appointment.

Sri T.L. Prasad retires by rotation and being eligible offer for re-appointment.

**Employees :**

As on the date of this report the Company has 190 individuals on pay rolls including executives.

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### **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. 6 (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 : 24-08-99

**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, 1999.

**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 403 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 1998-99 1997-98****1) ELECTRICITY :**

a) Purchased Unit total	KWH	4,05,023-00	1,87,824-00
Amount	Rs	16,73,492-00	10,39,801-00
Rate per Unit	Rs/KWH	4-13	5-53
b) Own Generation :			
Through Diesel Generator	KWH	2,37,286-00	87,280-00
Units/Ltr of Diesel Oil	KWH/LTR	3-08	5-18
Cost Unit	RS/KWH	3-57	1-80

**Consumption per Unit Production :**

Standard (if any)

Production (with) details

Electricity

SQ.FT	23,04,616	7,63,693-00
RS/SQ.FT	0-73	1-36

**2. Technology absorption**

Efforts Made in Technology absorption.

NIL

NIL

**3. Foreign Exchange (Earnings & outgo)**

Earnings	RS	1,17,16,214-00	82,25,891-00
Used	RS	1,38,325-00	1,00,846-00