

MD	✓	BKC	✓
CS	NA	DY	MA
RO	✓	PA	MA
TRA	NA	AG	✓
AGM	✓	SH	✓
YE	✓		✓

For EURO LEDER FASHION LTD.



Managing Director



Report Junction.com

6th Annual Report 1998

EURO LEDER FASHION LIMITED

FOR MEMBER'S ATTENTION

1. The Register of Members and Share Transfer books of the Company will remain closed from 22nd Sept. to 26th Sept. 98 (both days inclusive).
2. Members are requested to notify immediately any change in their address to the Company specifying the full address in block capitals with Pincode numbers of the Post Office etc.
3. Members are requested to quote their Folio number in all correspondence.
4. Members are requested to quote their queries relating to the accounts at least 10 days before the date of the Meeting, so that the information can be made available at the Meeting.
5. Members are requested to bring a copy of the Annual Report along with them to the Annual General Meeting, Since extra Copies will not be supplied.
6. Members are requested to hand over the attendance slip duly signed at the entrance of the meeting hall.

Registration starts at 9.00 A.M. at Sivanthi Adithanar Thirumana Mandapam, Ponniamman Koil Street, K.Pallavaram, Chennai - 600 043 on 25th September, 1998.

1998

REPORT JUNCTION

8991

REPORT JUNCTION

EURO LEDER FASHION LIMITED

- Board of Directors**
1. Shri. AR. RAMANATHAN - Managing Director
 2. Shri. AR. ARUNACHALAM - Director
 3. Shri. S. NARAYAN - Director
 4. Shri. RM. LAKSHMANAN - Whole time Director
 5. Shri. P.T. GOPALA RAAJA - Director
 6. Shri. P.S.NATHAN - Director

Auditors - M/s SURI & CO
No.8, Rutland Gate 4th Street
Chennai - 600 006.
Tel : 8277082 / 8275876

Internal Auditors - Chinnasamy Ganesan & Co.
Plot No. 109, 11, Durai Arasan Street,
Saligramam,
Chennai - 600 093.
Tel No. 4839369

Legal Advisors - M/s Mahalingam & Rebello,
No.8, Rutland Gate 4th Street
Chennai - 600 006.
Tel : 8251282

**Registered Office &
Factory** - No. 99, G.S.T. Road,
Pallavaram, Chennai - 600 043.
Tel : 401363 / 401837

Bankers - Bank of Madura Ltd.
Indian Bank, Adyar

Report  junction.com

Notice of the 6th Annual General Meeting

Notice is hereby given that the 6th Annual General Meeting of the Company will be held on Friday, 25th September, 1998 at 10.15 A.M. at Sivanthi Adithanar Thirumana Mandapam, Ponnamman Koil Street, K. Pallavaram, Chennai 600 043 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date, together with the notes thereon and the schedules thereto and the reports of the Auditors and the Directors.
2. To appoint a Director in the place of Shri S Narayan who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditors and to fix their remuneration. M/s Suri & Co, Chartered Accountants, Chennai, the retiring auditors are eligible for reappointment.

As Special Business

4. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:

“RESOLVED THAT Shri P.S. Nathan be and is hereby appointed as director of the company liable to retire by rotation.”

5. To consider and if thought fit to pass with or without modification, the following resolution as ordinary resolution:

“RESOLVED THAT pursuant to the provision of section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, consent be and is hereby accorded to the Company to borrow moneys which together with moneys already borrowed by the Company (apart from temporary loans obtained from its bankers in the ordinary course of business) shall exceed the aggregate of the paid up capital of the Company and its free reserves that is reserves not set apart for any specific purpose provided that the moneys so borrowed shall not at any time exceed rupees four crores”

By order of the Board

Place : Chennai
Date : 22.08.1998

A.R Ramanathan
Managing Director

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS DULY COMPLETED SHALL BE DEPOSITED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.

2. AN EXPLANATORY STATEMENT PURSUANT TO SEC 173(2) OF THE COMPANIES ACT, 1956 IS ANNEXED HERETO.

EXPLANATORY STATEMENT

(pursuant to Section 173(2) of the Companies Act, 1956)

Item No 4.

Shri P S Nathan was co-opted to the Board of Directors at its meeting held on 29.07.1993 and he holds office till the ensuing Annual General Meeting. Notice along with the prescribed fee has been received from a member proposing his appointment as a director at the said meeting. Shri Nathan is well versed in exports of leather garments and has wide contacts abroad. His appointment as a Director of the Company will be beneficial to the Company hence this resolution is recommended by the Board. None of the directors of the Company barring Shri P S Nathan is interested in this resolution.

Item No 5.

The Company was accorded consent to borrow upto a limit a Rs.2 Crores by the share holders at the Annual General Meeting of the Company held on 05.08.1993. The paidup capital of the Company has since increased to the present level of Rs 3.29 crores. In order to increase the volume of turnover of the Company, it requires additional funds which may be tied up with its bankers or any other source. It is therefore recommended to increase the total borrowings by the Company upto a limit of Rs 4 Crores, hence this enabling resolution.

None of the directors of the company is interested in this resolution.

By order of the Board

Place : Chennai
Date : 22.08.1998

AR Ramanathan
Managing Director

DIRECTOR'S REPORT TO THE MEMBERS

Your Directors have pleasure in submitting their Sixth Annual Report and that of the Auditors together with the audited Balance Sheet as at 31.03.1998 and the Profit and Loss Account for the year ended on that date.

Financial Performance		(Rs in lacs)
Particulars	1998	1997
Income From Operation	212.34	338.54
Profit/Loss before Depreciation & Taxation	(53.46)	1.21
Less		
Depreciation	1.68	2.20
Profit before and after Tax	(55.14)	(0.99)
Loss Brought Forward	(19.43)	(18.44)
Loss Carried to the Balance Sheet	(74.57)	(19.43)

Performance

The Leather Industry and the leather garment industry in particular have been going through a phase of very serious recession which is well known to the observers of this industry. An additional problem is the greater controls being imposed by the Government on pollution control measures. Further the European market has felt the pinch of the worldwide recession.

The Company too had to bear the brunt of this recessionary tendency. The increased pollution controls effected by the Government have also pushed the cost of processing of the raw materials. The company has been adversely affected more so as it has been exclusively catering to the European markets. This has resulted in a substantial fall the turnover of the Company and a jump in its loss.

The directors are ceaselessly working to find new markets and new avenues and are confident that they will be able to achieve the required breakthrough very soon and post better results in the coming months.

The recession in Europe has resulted in the failure to fully collect the dues owed for long by some customers to the Company despite the best efforts of the Directors. It is now found that it is becoming rather uneconomical to follow up these overdues as most of the companies that had failed to pay are either not active or closed. Hence the directors do not foresee a possibility to collect the outstandings. Most of these dues arose during the early phase of the business of the Company. The Company has since been exercising greater caution and prudence and has not been accepting orders based on D/A. The company now insists on LC's or payment against documents.

On the recommendation of the auditors, your directors have made a provision for doubtful debts to the extent of Rs 24,40,595/- . A further provision of Rs 1 lac has been made against advances which are doubtful for recovery.

Prospects

The situation in the current year continues to be depressed. However, orders for export in 1999 are expected shortly. A clear picture will emerge by October 1998. The company is likely to make an exchange gain in view of the value of US dollar rising against the rupee.

Directors

Shri L Alagappan and Shri S P Palaniappan resigned from the Board on 20th March 1998 and 21st August 1998 respectively. The directors record their appreciation of guidance and help received from them during their tenure as directors of the Company.

Shri S Narayan retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Shri P S Nathan was coopted to the Board on 29th July 1998 as an additional Director and he holds office till the forthcoming Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act 1956 from a shareholder, along with the necessary fee, proposing the candidature of Shri P S Nathan for appointment as a director of the company at the forthcoming Annual General Meeting.

Auditors

The auditors of the Company M/s Suri & Co, Chartered Accountants, Chennai retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

Personnel

None of the employees of the purview of the Company was in receipt of remuneration which comes under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended.

Information under section 217(1)(e) of the Companies Act, 1956

Information as per clause (e) of section 217 (1) of the Companies Act 1956. read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 for the year ended 31st March, 1998 is given below.

Conservation of Energy

Electricity Consumed - Units

Total Cost

Generator Fuel

Average Cost Per unit

Average consumption per unit
of production

1998	1997
15625	19928
Rs 71064	92196
-Nil-	12959
4.54	
N.A	N.A

Technology Absorption, Adaptation and Innovation

The Manufacturing activity is confined to simple cutting and stitching of leather garments and hence absorption of technology does not arise.