



Amison Focus Ltd.



Annual Report 98-99

Amison Foods Limited

BOARD OF DIRECTORS

Mr.A.H.M. Babu	— Chairman & Managing Director
Mr.T.N. Menon	— Director
Mr.K.P. P. Namboothiripad	— Director (Nominee - IDBI)
Mr.H.H. Aslam Sait	— Director
Mr.A.G. Ali Mohamed	— Director
Mr.Sajan Mathew Mangalam	— Director
Mr.A.H. Ayooob	— Director

BANKERS

State Bank of Travancore
State Bank of India
Federal Bank Limited

AUDITORS

M/s.P.T. Joseph & Co.
Chartered Accountants,
35/2066, II Floor,
Manikkiri Cross Road,
Cochin- 682 016

REGISTERED OFFICE

Amisons House,
Rameswaram Lane,
Cochin - 682 005

ADMINISTRATIVE OFFICE

8D, 8th Floor, Ram Mansion,
Pantheon Road, Chennai- 600 008

FACTORIES

- 1) Jetty Road
Edacochin- 682 006
Kerala.
- 2) 22/1388A
Edacochin- 682 006
Kerala.
- 3) Plot No.1302
GIDC Estate,
Veraval,
Gujarat- 362 269

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Amison Foods Limited

NOTICE

NOTICE is hereby given that the 12TH ANNUAL GENERAL MEETING of the Company will be held at ABAD HOTEL, CHULLICKAL, KOCHI- 682005 on THURSDAY, 28th OCTOBER, 1999 at 10.30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1999 and Profit & Loss Account for the year ended on that date together with the report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Shri.A.H.AYOOB, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Shri. SAJAN MATHEW MANGALAM, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and for that purpose to consider and, if thought fit, to pass, with or without modifications, following resolution as an Ordinary resolution :

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions of the Companies Act, 1956, M/s.P.T.Joseph & Co., Chartered Accountants, 35/2066, II Floor, Manikkiri Cross Road, Pallimukku, Cochin - 682 016, the retiring Auditors, be and are hereby appointed as the Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company

at a remuneration to be decided by the Chairman and Managing Director of the Company, in addition to reimbursement of all out of pocket expenses in connection with the Audit of the Company."

By Order of the Board
Sd/-

Cochin - 5
30th September, 1999.

A.H. M. BABU
Managing Director

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

The Proxy form duly completed and stamped must reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. A blank Proxy form is sent herewith.

2. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
3. Members are requested to notify the Company, the changes, if any, IN THEIR ADDRESS, ALONG WITH THE PIN CODE AND FOLIO NUMBER.
4. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company atleast ten days in advance, so as to enable the Company to keep the information ready.
5. Members attending the meeting are requested to bring their copy of Annual Report.

DIRECTORS REPORT

To the Members
Ladies & Gentlemen,

Your Directors hereby submit the 12th Annual Report on the business and operations of the Company together with the Audited Statements of Accounts for the year ended 31st March, 1999.

1. PERFORMANCE

The salient features of the performance of your Company during the year under report are highlighted below:

(Rs. in Lakhs)

PARTICULARS	Year ended on 31.03.99	Year ended on 31.03.98
1. Net Sales/Income from Operations	5.97	582.12
2. Other Income	103.21	35.84
3. Increase /Decrease in Inventory	(450.39)	(11.70)
4. Total Expenditure	156.31	640.17
5. Interest & Finance Charges	307.19	169.17
6. Gross Profit after interest but before depreciation and taxation	(804.71)	(203.08)
7. Depreciation	87.60	48.62
8. Provision for taxation	—	—
9. Net Profit(+)/ Loss(-) (6-7-8)	(892.31)	(251.70)
10. Paid - Up Equity Share Capital	678.74	678.74
11. Reserves excluding revaluation reserves (as per the Balance Sheet of previous accounting year)	—	—

The Company's export business continued to be affected during the year under review also, due to the following factors:

- a) The international market for marine products persisted at a very low level in general.
- b) Even after obtaining EEC approval for the plant at Edacochin, due to the non-availability of adequate working capital funds, Company could only carry out marginal export sales of Rs.5.97 lakhs to Greece (Europe) and utilising the plant for doing more job works during the year. This can be observed by the substantial increase under "Other Income", by way of processing, freezing and storing charges during the year.
- c) The export to countries other than Europe also has come down drastically during the year due to severe world recession taking place in Far East countries, China, America, who were once major importers of Indian Seafoods.

2. REMEDIAL MEASURES

Since this is an Industrial level problem. Seafood Exporters Association has already taken up the burning problems of the Exporters with higher level officials of Ministries of Commerce and Finance for providing various reliefs/ packages to overcome the serious hurdles faced by them. Accordingly, a Task Force Committee has been set up by Ministry of Commerce and Ministry of Finance, consisting of

Amison Foods Limited

their senior officials as also selected representatives from Seafood Exporters Association, from RBI, ECGC, Banks and Financial Institutions. This Committee has started studying the genuine problems faced by the Seafood Industry, in their various sittings and is in the process of preparing suitable packages/ relief measures in order to enable the Seafood units to come out of their severe problems. The Company is hopeful of taking advantage of the relief measures to be announced by the Committee shortly and will be in a position to turnaround the corner in the quickest possible time and start earning profits.

3. STOCKS POSITION OF THE COMPANY

Due to the continued sluggishness from early 1997 for the seafood export market, we have been holding stocks of different varieties largely of squids, cuttle fish etc. in the cold storages, both at owned and in stores taken on hire basis. The finished stocks held were all 'Tailor-made' products for shipment to Far East countries against export orders. Consequent upon the failure of Far East markets during 1997, the Company could neither divert these customised products to other foreign buyers nor was there any local market for these products. Due to lack of orders and alternative buyers and passage of time, the stocks in the cold store have started losing quality. The Company planned to purchase fresh materials for mixing with the reprocessed old stock and export it so that the old stock could be salvaged to the maximum extent possible. Attempts were made with our bankers to get suitable Nursing Finance from June 1997 onwards with this objective but in vain. Due to the severe deterioration of the quality of such stocks and that the owners of the hired stores, where the stocks were held, insisted for immediate removal of the stocks which were getting decomposed, the Government Health Authorities were contacted for their assistance and such stocks were destroyed / disposed off during August, 1999, to the tune of Rs.4,50,38,315/-. The balance stocks after such disposal, held for export have been valued at Rs.54,98,120/- and accordingly have been booked in the accounts as at 31/03/99.

4. PARTICULARS REGARDING CONSERVATION OF ENERGY & FOREIGN EXCHANGE EARNINGS & OUTFLOW

A. CONSERVATION OF ENERGY:

The total Energy consumption per unit of production are as under:

	1998-99
a) Electricity Purchased Units	(KWH) 1319290.00
Total Value	(Rs.) 34,85,537.40
Rate per Unit	(Rs.) 2.64
Own Generation: (Through Diesel Generator)	
Units Generated	(KWH) 8773.70
Units per litre of Diesel Oil	(KWH) 3.70
Cost per Unit	(Rs.) 3.10

B. TECHNOLOGY ABSORPTION:

During the year under review, the Company has not carried on any research and development programme or employed any foreign technology for manufacture.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

	1998-99 (Rs.'000)	1997-98 (Rs.'000)
a) Earnings: Export Sales	597.09	58211.85
b) Outgo	157.27	NIL

5. DIRECTORS

Shri.A.H. Ayoob and Shri. Sajjan Mathew Mangalam retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

6. PARTICULARS OF EMPLOYEES

There were no employees during the year under report attracting the disclosure requirements of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended in 1994.

7. AUDITORS

The Auditors of the Company M/s.P.T.Joseph & Company, Chartered Accountants, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

8. INFORMATION REGARDING Y2K PREPAREDNESS

The Company's operations are not sensitive to Y2K problems. Whatever shortcomings observed have been remedied. The costs for the Company in this regard were marginal.

9. INDUSTRIAL RELATIONS

During the year, relations among the Executives, Staff and the Employees of the Company were cordial and your Directors place on record their appreciation for the efficient services rendered by them.

10. ACKNOWLEDGMENT

Your Directors thank Industrial Development Bank of India, State Bank of Travancore and other Banks, Stock Exchanges, Government Authorities/Agencies, Customers, Dealers, Suppliers and the Shareholders for the co-operation, guidance, support and assistance provided by them during the year under report.

For and on behalf of the Board of Directors
Sd/-

Cochin - 5.

A.H.M.BABU
30th September, 1999 Chairman & Managing Director