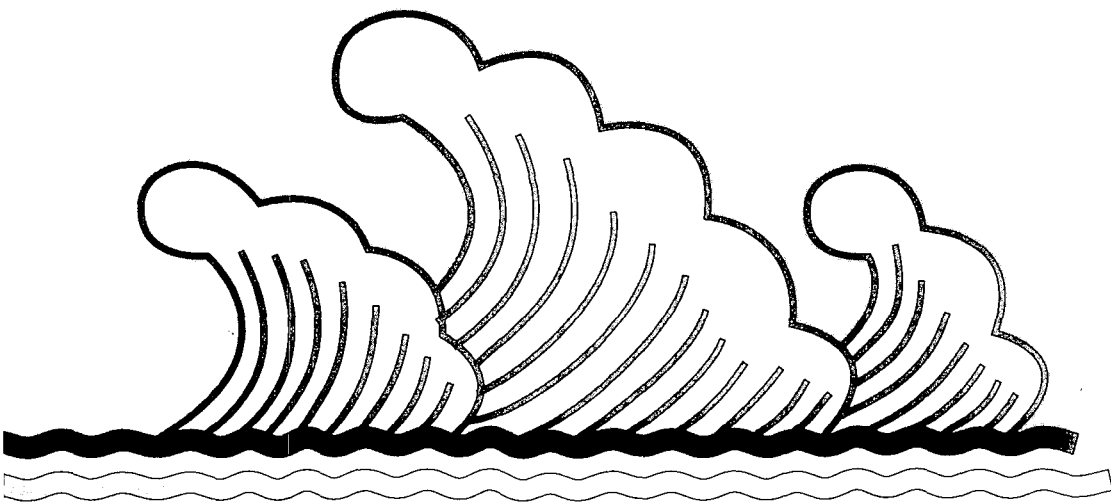


EIGHTH ANNUAL REPORT 1997-'98

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Integrated Rubian Exports Ltd.

Rubian Complex, Aroor - 688 534, KERALA INDIA Phone : 91-47887-2718, 2719, 3182
Fax : 91-47887-2306 Cable : RUBIAN, Aroor, Tlx : 885-6679 PERL IN





INTEGRATED RUBIAN EXPORTS LTD.

Regd. Office : Rubian Complex, Aroor, Alappuzha - 688 534

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

Board of Directors:

Mr. K.A. KUNJUMOIDEEN
Chairman

Mr. C.A. SALIM, M.B.A.
Managing Director

Mr. C.H.A. RAHEEM, F.C.A.
Director - Finance

Mr. T.A MOHAMMED KUTTY
Whole-time Director

Mr. P.A. ZAFAR
Director

Mr. C. THOMAS, I.A.S. (Rtd.)
Nominee Director (KSIDC)

Mr. P.M. CHITHRABHANU
Nominee Director (IFCI)

Mr. K.M. KUNHI, B.E.
Director

Mr. S.A.M. JAFFARI
Director

Mr. P.M. MUSTHAFA, B.E.
Director

Dr. J. BOJAN
Nominee Director (MPEDA)

Mr. DINESH SHARMA
Nominee Director (RCTC)

President:

Mr. O.S. GAUTAM, M.Sc. (Fisheries)

Company Secretary:

Mr. P.D. KRISHNA PRASAD, B.Com., A.C.S.

Auditor:

Mr. K.A. NAZARULLA, B.A., F.C.A.
Chartered Accountant
Trissur - 680 001

Bankers:

INDIAN BANK
Overseas Branch, Ernakulam

THE FEDERAL BANK LTD.
Banerji Road, Ernakulam.



INTEGRATED RUBIAN EXPORTS LTD.

Regd. Office : Rubian Complex, Aroor, Alappuzha - 688 534, Kerala State

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Eighth Annual General Meeting of the Company will be held at Sri Kumaravilasa Kshetra Devaswom Hall, Puthanangadi, Aroor - 688 534 on Tuesday, the 29th September 1998 at 3.30 P.M. to transact the following business:

As Ordinary Business:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 1998 and Balance Sheet as at that date together with reports thereto.
2. To elect a Director in place of Mr. C.A. Salim who retires by rotation and being eligible offers himself for re-appointment.
3. To elect a Director in place of Mr. P.M. Musthafa who retires by rotation and being eligible offers himself for re-appointment.
4. To elect a Director in place of Mr. K.M. Kunhi who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

As Special Business

6. To pass with or without modification the following resolution as an Ordinary Resolution.

"RESOLVED that the consent of the Company be and is hereby accorded under Section 293(1)(a) and other applicable provisions, if any of the Companies Act, 1956 to the Board, to sell, lease or otherwise dispose of the land belonging to the Company in the district of Tuticorin and for that purpose to sign, seal and deliver such instruments, assignments, contracts, deeds, conveyances or any other instrument that may be considered necessary, usual or proper for the sale, lease or otherwise disposing of the land which according to the Directors may be considered most beneficial and convenient to the Company.

7. To pass with or without modification the following resolution as an Ordinary Resolution.

"RESOLVED that consent of the Company be and is hereby accorded under Schedule XIII, and other applicable provisions, if any of the Companies Act, 1956 to the re-appointment of Sri. T.A. Mohammed Kutty as the Whole time Director of the Company under the terms and conditions of the Agreement entered into with him by the Company, a copy of which signed by the Chairman for the purpose of identification is tabled before this Meeting.

8. To pass with or without modification the following resolution as an Ordinary Resolution.

"RESOLVED that consent of the Company be and is hereby accorded under Schedule XIII, and other applicable provisions, if any of the Companies Act, 1956 to the re-appointment of Sri. C.H. Abdul Raheem as the Whole time Director of the Company under the terms and conditions of the Agreement entered into with him by the Company, a copy of which signed by the Chairman for the purpose of identification is tabled before this Meeting.

By Order of the Board
For INTEGRATED RUBIAN EXPORTS LTD.

Aroor
8th July, 1998

P.D. KRISHNA PRASAD
Company Secretary

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. The proxies in order to be effective, must be received by the Company not less than 48 hours before the time fixed for the Meeting.
2. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and the Transfer Books of the Company will be closed from Wednesday, the 23rd September, 1998 to Tuesday, the 29th September, 1998, both days inclusive.
4. All correspondence regarding transfers, change of address etc. may be addressed to the Company Secretary and sent to the Registered Office of the Company at Rubian Complex, Aroor - 688 534.
5. Members are requested to bring their copies of Annual Report to the Meeting as no fresh copies shall be distributed at the Meeting.
6. Members/Proxies are also requested to bring the Attendance Slip attached herewith, duly filled in.
7. Members are requested to forward any questions on the Accounts in writing to the Company so as to reach the Registered Office one week before the date of the Annual General Meeting. Relevancy of questions and the order of speaker at the Meeting will be decided by the Chairman.
8. Pursuant to Section 205 A of the Companies Act, 1956, Unclaimed Dividend relating to the Financial year 1993-94 has been transferred to the General Revenue Account of the Central Government. Those Shareholders who have not encashed their dividend warrants for the said period are required to claim the same from the Registrar of Companies, M.G. Road, Kochi - 682 011.



EXPLANATORY STATEMENT

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

Item No. 6

The Company contemplates requirement of funds towards the one time settlement of dues with Industrial Finance Corporation of India. The Directors are of the view that considering the uncertainty in the aquaculture policy and also the want of cheaper funds, the backward integration project of the Company at Tuticorin shall not become a reality in the near future. Therefore, the Board deem it fit that the barren land at Tuticorin be sold, leased or otherwise disposed of and the proceeds utilised against payment of IFCI dues under the one time settlement.

The sale, lease or disposal of the Company's undertaking requires the approval of a General Meeting Under Section 293(1)(a) of the Companies Act, 1956, and hence this item is being placed before the Meeting for approval.

None of the Directors are in any way concerned or interested in the said Resolution.

Item No. 7

Mr. T.A. Mohammed Kutty was appointed a Whole-time Director of the Company in the Annual General Meeting of the Company held on 30th September, 1993. The Board of Directors of the Company recommend re-appointment of Mr. T.A. Mohammed Kutty as the Whole-time Director of the Company for a further period of five years. The terms and conditions are incorporated in the draft agreement. The following are the principal terms and conditions.

Salary : 10,000/- P.M.

Perquisites : 1. Medical reimbursements:- Expenses incurred for self and family subject to a ceiling of one months' salary for each financial year of his tenure of appointment.

2. Eligible for leave as per the rules of the Company from time to time and encashment of leave at the end of the tenure.

3. Provision for Vehicle or relevant conveyance allowances and telephone at residence for business purposes of the Company. Any personal use of the Vehicle and telephone shall be billed by the Company.

4. Payment of Gratuity as per the provisions of the Payment of Gratuity Act, 1972.

The terms and conditions of the said appointment may be altered and varied from time to time by the Board, as it may in its discretion deem fit, within the maximum amount payable to Whole-time Director in accordance with the applicable limits, if any, from time to time, or any amendments made hereafter in this regard.

The re-appointment of Mr. T.A. Mohammed Kutty is subject to the approval of members in General Meeting of the Company. Therefore, this item is placed before the Meeting for approval.

The above explanatory statement may be treated as an abstract of the terms and conditions of re-appointment of

Whole-time Director under Section 302 of the Companies Act, 1956.

The draft agreement re-appointing the Whole-time Director is open for inspection by the members of the Company at its Registered Office during business hours and will also be available at the Meeting.

None of the Directors except Mr. T.A. Mohammed Kutty is concerned or interested in this item of business.

Item No. 8

Mr. C.H.A. Raheem was appointed a Whole-time Director of the Company in the Annual General Meeting of the Company held on 30th September, 1993. The Board of Directors of the Company recommend re-appointment of Mr. C.H.A. Raheem as the Whole-time Director of the Company for a further period of five years. The terms and conditions are incorporated in the draft agreement. The following are the principal terms and conditions.

Salary : 15,000/- P.M.

Perquisites: 1. Medical reimbursements:- Expenses incurred for self and family subject to a ceiling of one month's salary for each financial year of his tenure of appointment.

2. Eligible for leave as per the rules of the Company from time to time and encashment of leave at the end of the tenure.

3. Provision for Vehicle or relevant conveyance allowances and telephone at residence for business purposes of the Company. Any personal use of the Vehicle and telephone shall be billed by the Company.

4. Payment of Gratuity as per the provisions of the Payment of Gratuity Act, 1972.

The terms and conditions of the said appointment may be altered and varied from time to time by the Board, as it may in its discretion deem fit, within the maximum amount payable to Whole-time Director in accordance with the applicable limits, if any, from time to time, or any amendments made hereafter in this regard.

The re-appointment of Mr. C.H.A. Raheem is subject to the approval of members in General Meeting of the Company. Therefore, this item is placed before the Meeting for approval.

The above explanatory statement may be treated as an abstract of the terms and conditions of re-appointment of Whole-time Director under Section 302 of the Companies Act, 1956.

The draft agreement re-appointing the Whole-time Director is open for inspection by the members of the Company at its Registered Office during business hours and will also be available at the Meeting.

None of the Directors except Mr. C.H.A. Raheem is concerned or interested in this item of business.



INTEGRATED RUBIAN EXPORTS LTD.

Regd. Office : Rubian Complex, Aroor, Alappuzha - 688 534, Kerala State

DIRECTORS' REPORT

Your Directors present their Report on the business and operations of the Company and audited statement of accounts for the year ended 31st March, 1998.

1. Financial Results	(Rs. in lakhs)
Profit/(Loss) after interest, but before depreciation, amortisation and taxation	(295.46)
Depreciation & Amortisation	42.84
Taxation	Nil
Profit/(Loss) after depreciation and taxation	(338.30)
Balance of profit brought forward from previous year	244.92
Profit/(Loss) carried forward	(93.38)

2. Operations :

The operations during the year under review was the most adverse since inception. It was in the latter half of the year that the European Union imposed a ban on the Indian Seafood which stalled our operations for almost six months. Considering the fact that almost 90% of our products are being exported to Europe, the impact of the ban need not be over emphasized. However, your Company achieved the European Certification within six months of the ban. Moreover, a sizeable turnover of Rs. 16.26 Crores was achieved during the year mainly through our exploration of Chinese markets, the materials to which were produced from our leased unit at Orissa. The Company resumed shipments to Europe in the last month of the year under review consequent to the European approval.

The prime problem of the Industry remains the non-availability of raw-materials at competitive prices coupled with the prolonged uncertainty on aquaculture development. These factors together with acute power-cut has pegged up the cost of operations. Moreover, there is an ongoing recession and currency devaluation in the South East Asian countries which makes them more competitive in the international markets and a threat to Indian exports.

The Company has projected a turnover of Rs.32 crores for the financial year 1998-99. The Directors are confident of achieving it as the E U approval for limited units will enhance the prospects for approved units.

3. Finance :

During the year under review the Company paid Rs.105.31 lacs towards interest against working capital finance and Rs.22.78 lacs towards term loans. The Bridge Loan taken

in anticipation of the right issue is still unpaid as the right issue was postponed indefinitely and the interest cost is mounting up. The lack of export and the resultant cash flow problem during the year forced us to default the term loan also. The Company negotiated one time settlement of dues with Industrial Finance Corporation of India and an initial instalment have already been made to them. Your Company is also exploring the possibility of External Commercial Borrowing to reduce the cost of borrowing. The efforts made by the Company for obtaining additional working capital was not materialised.

4. Backward integration :

As was stated in the last years Report, due to the uncertainty prevalent in the aquaculture policy the backward integration project of the Company at Tuticorin remains stalled. Meanwhile, the Company is exploring the possibility of disposing of the land it owns at Tuticorin to meet a part of funds required for the one time settlement with IFCI.

5. Dividend and reserves :

The Directors do not recommend any dividend for the year under review due to the financial strain encountered. As is evident from this Report the loss for the year have consumed all the build up reserves of the Company. However, your directors look forward to achieving the projected turnover for the financial year 1998-99 and a modest profit of about Rs.120 lacs.

6. Directors :

During the year under review Mr. M.S. Murthy (IFCI) and Dr. Elizebath Leela George (MPEDA) ceased to be Directors of the Company consequent upon their demitting office with their respective Institutions. The Board of Directors placed on record the contributions made by Mr. M.S. Murthy and Dr. Elizebath Leela George as Directors of the Company. Dr. J. Bojan (MPEDA), Mr. Dinesh Sharma (RCTC) and Mr. P.M. Chithrabhanu (IFCI) joined the Board as nominees of respective Institutions. The Board extended a hearty welcome to them to the Board of Directors of the Company. In the ensuing Meeting Sri. C.A. Salim, Sri. P.M. Musthafa and Sr. K.M. Kunhi are to retire from their office by rotation and offers themselves for re-appointment.

7. Auditors :

The Auditor of the Company Mr. K.A. Nazarulla, retires at the ensuing Annual General Meeting and is eligible for re-appointment.



8. Conservation of energy, technology absorption and Foreign Exchange earnings and outgo :

The information required under the provisions of Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is attached and form part of this Report. There were no employees in receipt of remuneration in excess of the limits specified under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

9. Explanations to remarks in Auditors' Report :

Item No.13 of the Annexure to Auditors' Report

The Company is engaged in the production and export of Marine Foods and thus the predominant part of the business consists of purchase, production and sale of materials, which also involves 90% of the fund disbursement, for which the Company has evolved a comprehensive

internal audit system on which utmost reliance is placed by the Directors. The Directors are of the opinion that the extension of internal audit beyond this critical activities, will not add any further value.

Item No. 15

As elsewhere written in this Report, the Company faced considerable cash strain during the period of the ban as our production was stalled for about six months. Therefore in certain months contribution to Provident Fund was deferred for a few days. However, the Company has since regularised the default and the contribution is paid in full.

10. Acknowledgment :

Your Directors wish to place on record their sincere gratitude for the continued support of the Bankers, Financial Institutions, Central and State Government Agencies, buyers, employees and the shareholders of the Company.

Aroor
8th July, 1998

For and on behalf of the Board

K.A. KUNJUMOIDEEN
Chairman

ANNEXURE TO DIRECTORS' REPORT

(Additional information given in terms of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988)

A. Conservation of Energy :

(a) The Company continues its efforts to improve methods of energy generation and utilisation. The generators and production equipments were overhauled, wherever required.

(b) The Company does not propose any additional investments for reduction of consumption of energy.

(c) Optimum performance of the production equipments installed at the factory has considerably reduced the breakdowns and bottle-necks in the production lines.

(d) The energy consumption details are given in Form A.

B. Technology Absorption :

(e) Efforts made in technology absorption as per Form B is given below.

C. Foreign Exchange Earnings & Outgo :

(f) The Company continues to attach great importance to increase exports and earn valuable forex for the Country. The Company regularly participate in International Seafood Trade Fairs to develop new export markets world wide.

(g) Total Foreign Exchange earnings and outgo is as under:

	Rs. in lakhs	
	1997-98	1996-97
Foreign Exchange Earnings	1625.85	2401.40
Foreign Exchange Outgo	1.55	7.22