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Twelfth Annual Report 2001-2002

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Integrated Rubian Exports Ltd.

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INTEGRATED RUBIAN EXPORTS LTD.

12TH ANNUAL REPORT 2001-2002

Board of Directors:

Shri. K.A. KUNJUMOIDEEN
Chairman

Shri. C.H.A.RAHEEM, F.C.A.
Managing Director

Shri. C.A.SALIM, M.B.A.
Director-Marketing

Shri. T.A.MOHAMMED KUTTY
Whole-time Director

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

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

Shri. B.CHANDRASEKHARAN NAIR
Nominee Director (KSIDC)

Shri. OM JOSHI
Nominee Director (IVCF)

General Manager:

Shri. K.G.MOHANAN PILLAI

Auditor:

Shri. K.A.NAZARULLA, F.C.A.
Chartered Accountant
Thrissur – 680 001.

Bankers:

INDIAN BANK
Shanmugham Road Branch, Ernakulam.

THE FEDERAL BANK LTD.
Banerji Road, Ernakulam.

Registered Office:

RUBIAN COMPLEX,
ARoor – 688534,
ALLEPPEY, KERALA, INDIA.
Phone : 91 478 872718
Fax : 91 478 872306
E-Mail : irel_enk@sancharnet.in

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INTEGRATED RUBIAN EXPORTS LTD.

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twelfth Annual General Meeting of the company will be held at 10.30 A.M. on Tuesday, the 31st December, 2002 at Kalappurackal Auditorium, Near Sree Kumara Vilasam Temple, Aroor – 688 534, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March, 2002 and Profit and Loss Account for the year ended 31st March, 2002 together with Reports of the Directors and Auditors and annexures thereto.
2. To appoint a Director in place of Shri. K.M. Kunhi, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri. S.A.M. Jaffari, who retires by rotation.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business:

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

“RESOLVED that Pursuant to Sections 257, 260 and other applicable provisions if any, of the Companies Act, 1956, Shri. K.A.Kunjumodeen be and is hereby appointed as a Director of the Company”

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

“RESOLVED that pursuant to Sections 198, 269, 309 and Schedule XIII and other applicable provisions if any, of the Companies Act, 1956 the consent of the company be and is hereby accorded to the re-appointment of Shri. 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 is initialed by the Chairman

for the purpose of identification and tabled before this meeting.”

By Order of the Board

Aroor
28th October, 2002

C.H.A. RAHEEM
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. The proxies, in order to be effective, must be received with the company not less than 48 hours before the time fixed for the Meeting.
2. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Item No. 6 is annexed hereto.
3. The Register of Members and the Transfer Books of the company will be closed from Saturday, the 28th December, 2002 to Monday, the 30th December, 2002, 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. As a measure of economy copies of Annual Reports will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of Annual Report to 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 speakers at the Meeting will be decided by the Chairman.

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EXPLANATORY STATEMENT

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

Item No. 5

The Board of Directors had appointed Shri. K.A. Kunjumoideen as additional Director of the Company at their meeting held on 28th October, 2002 pursuant to Article 45 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956. Mr K.A. Kunjumoideen holds the office of additional director up to the date of this Annual General Meeting as per the provision of the Act. Shri. K.A. Kunjumoideen has varied experience in the field of seafood business. He is also one of the promoters of your company and had resigned from the post of director for his personal inconvenience. He has now given his consent to act as director and it is opined to be in the best interest of the company. The company has received notices in writing from some shareholders proposing his candidature for the office of director. Your directors concerned the above resolution for your approval. None of the directors other than Shri.K.A.Kunjumoideen is interested in the resolution.

Item No. 6

Shri. T.A. Mohammed Kutty was appointed as the Whole-time Director of the company in the Annual General Meeting of the company held on 30th September, 1998. The Board of Directors of the company recommended re-appointment of Shri.T.A. Mohammed Kutty as the Whole-time Director to the company for a further period of 5 years. The terms and conditions are incorporated in the draft agreement. The following are the principal terms and conditions.

Salary: Rs. 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 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 purpose of 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 description 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 Shri. 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 Shri. T.A. Mohammed Kutty is concerned or interested in this item of business.

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INTEGRATED RUBIAN EXPORTS LTD.

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

DIRECTORS' REPORT

Dear Shareholders,

The Twelfth Annual Report of the company together with the Audited Accounts for the year ended 31st March, 2002 is now being placed before you for your information.

1. Financial Results: (Rs. in lakhs)

Operating loss for the year after interest but before depreciation, amortisation, extra ordinary items and taxation.	189.60
Depreciation & Amortisation	50.56
Provision for loss in inventories (Ref. Note No.10)	200.73
Write-off of Capital work-in-progress (Ref. Note No.4)	191.67
Provision for unrecoverable advance (Ref. Note No.11)	76.31
Loss as per Profit & Loss A/c	708.87
Less : Profit brought forward from earlier years	95.89
Loss carried forward to Balance Sheet	612.98

2. Performance and significant events:

The company continued to suffer due to the global economic slow-down in general and uncertainty in the seafood market in particular. The efforts of the Board of Directors in reviving the project at Tuticorin could not succeed due to the continuance of the Supreme Court ban on aquaculture development. Your Board therefore has after careful consideration decided to abandon the project. Accordingly, the all expenditure in the project carried as capital work in progress, other than the cost of land, is being written off.

Subsequent to the close of accounting year the stringent conditions imposed by the EU countries as regards antibiotic residue in products exported to them has also resulted in suspension of operations at the company's Aroor unit from September, 2002. Arising out of the above, the company has to reprocess and repack its finished stock to comply with new market situations resulting in considerable reduction in net realisable value. Therefore, the company has valued the unsold finished stock as at the close of the ac-

counting year at the estimated net realisable value resulting in an abnormal loss to the extend of Rs. 200 lacs.

3. Reference to Board for Industrial and Financial Reconstruction (BIFR):

The members may find that as at the end of 31.03.2002, the company has lost its entire net-worth due to various reasons, which are mainly external in nature such as the Supreme Court's Order banning aquaculture in Tuticorin, the new and sudden stipulation of antibiotic residue restrictions imposed by EU countries etc. In view of the fact the accumulated losses of the company as at the end of the financial year has exceeded the net-worth, the company has become a sick industrial company within the meaning of Section 3 (1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985. As per Section 15 of the said Act, the reference to the BIFR is required to be made within the time limits prescribed therein. Your Board is taking necessary steps in this regard.

The reasons leading to industrial sickness is mainly due to extraneous factors and your company is still vibrant and capable. Your Directors therefore are hopeful that your company will overcome these difficulties soon. Your Directors wish to assure you that all efforts to successfully restructure the company and make it profitable will be made in right earnest.

4. Dividend:

The Directors do not recommend any dividend for the year under review as a measure to recover from the financial stringency.

5. Depository System:

As part of the compulsory De-materialisation of your company's securities, 364500 number of securities have been demated.

6. Directors Responsibility Statement:

Pursuant to the requirement under Section 217(2 AA) of the Companies Act, 1956, on the Directors Responsibility Statement, it is hereby confirmed that:

- in the preparation of annual accounts for the financial year ended 31.03.2002, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- the Directors have selected the accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give true and fair view of the state of affairs of the company at the end of the year under review and of the profit of the company for that period.

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c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

d) the Directors have prepared the annual accounts for the year ended 31st March, 2002 on a going concern basis.

7. Directors:

Shri. K.M.Kunhi retires by rotation and being eligible offers himself for re-appointment.

Shri. S.A.M. Jaffari retires by rotation and is not offering for re-appointment for some personal reasons.

8. Auditors:

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

9. Audit Report:

Comments of the Auditor on the Internal Audit - Response by the company:

About 85% of the company's total expenditure represent material cost and hence, the Internal Audit presently cov-

ers substantial activities of the company. However, steps will be taken in future to enlarge the scope by including other activities also, as suggested by the Auditor.

10. Statutory Statement:

In terms of Section 217(1)(e) of the Companies act, 1956, and the Companies, (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the additional information required is furnished as Annexure forming part of this report.

No employee of the company were in receipt of remuneration during the financial year 2001-02 in excess of the sum prescribed under Section 217(2A) of the Companies Act, 1956, read with companies (Particulars of Employees) Rules, 1975.

11. Acknowledgement:

Your Directors wish to place on record their sincere gratitude for the continued support and co-operation from Financial Institutions, banks, Suppliers, Central and State Governments.

Further, your Directors express their appreciation to all the employees of the company for their excellent performance during the year and the shareholders for their valuable support over the period.

Place : Aroor

Date : 28th October, 2002

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 has taken all steps possible to improve methods of energy generation and utilisation. The generator and production equipment were over-hauled as and when required.

(b) No additional investment is proposed in equipment for reduction of consumption of energy.

(c) Details of energy consumption are given in Form A

B.Technology Absorption:

d) Efforts made in technology absorption are as per Form B attached.

C.Foreign Exchange Earnings and Outgo:

e) Great importance is attached by the company to maintain and strengthen the export market and to earn valuable foreign exchange for the country.

f) Total Foreign Exchange earnings and Outgo are as under.

	(Rs. in Lakhs)	
	2001-2002	2000-2001
Foreign Exchange Earnings	1891.74	2475.20
Foreign Exchange Outgo	15.62	8.40