



KOLUTHARA

E X P O R T S L T D .

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THIRTEENTH ANNUAL REPORT













2001 - 2002



KOLUTHARA EXPORTS LTD.



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KOLUTHARA EXPORTS LTD.

BOARD OF DIRECTORS

ANTONY VARGHESE KOLUTHARA

Managing Director

GEORGE VARGHESE KOLUTHARA

Director

K.V.RAJAN

Director- KSIDC Nominee (upto 30.3.2002)

JOSEPH VARGHESE

Additional Director (from 23.05.2002)

A.C.MATHEW

Additional Director (from 24.7.2002)
and Company Secretary

REGISTERED OFFICE & FACTORY

VII/45, Keltron Road,
Aroor - 688 534,
Alappuzha District, Kerala.

BANKERS

1. State Bank of India,
Overseas Branch,
Cochin - 682 003.
2. The Vysya Bank Ltd.,
M.G.Road,
Cochin - 682 035.

AUDITORS

M/s.George, John and Prabhu,
Chartered Accountants,
Cochin - 682 016.


KOLUTHARA EXPORTS LTD.
NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of the members of Koluthara Exports Limited will be held at the Registered Office of the Company at VII/45, Keltron Road, Aroor - 688 534, Alappuzha District, Kerala on Friday, the 27th September 2002 at 10 AM, to transact the following business

1. To consider and adopt the accounts of the Company for the financial year ended 31st March, 2002, Balance Sheet as on that date and Report of the Directors and of the Auditors thereof.
2. Dr. George Varghese Koluthara retires by rotation at the Annual General Meeting and does not seek re-election.
3. To appoint Auditors and fix their remuneration in the place of retiring Auditors MESSRS GEORGE, JOHN & PRABHU, Chartered Accountants, M.G.Road, Emakulam and are eligible for re-appointment.

SPECIAL BUSINESS

4. To consider and pass with or without modification, the following resolution as an Ordinary Resolution:

As an Ordinary Resolution:

"RESOLVED THAT Mr. Joseph Varghese, Additional Director, whose appointment expires at the Annual General Meeting and in respect of whom the Company received notice in writing from him to stand as a candidate for the office of the Director under section 257 of the Companies Act 1956 along with a deposit of Rs.500/- and being eligible for appointment as a Director, be and is hereby appointed as a Director of the Company."

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

As an Ordinary Resolution

"RESOLVED THAT Shri A.C.Mathew Additional Director whose appointment expires at the Annual General Meeting and in respect of whom the Company received notice in writing from him to stand as a candidate for the office of the Director under Section 257 of the Companies Act 1956 along with a deposit of Rs.500/- and being eligible for appointment as a Director of the Company be and is hereby appointed as a Director in addition to his duty as Company Secretary".

**KOLUTHARA EXPORTS LTD.****NOTES**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself. A proxy need not be a member of the Company. The proxy form and attendance slip are enclosed.
2. The relative Explanatory Statements, pursuant to Section 173(2) of the Companies Act, 1956, in respect of the business under item Nos. 4 and 5 are annexed hereto.
3. Members are requested to notify immediately any change in their addresses to the Company and all correspondences including share transfer and endorsement matters should be made to the Company directly at the AROOR address.

BY ORDER OF THE BOARD

AROOR,
24.07.2002Sd/
A.C.MATHEW
ADDITIONAL DIRECTOR
& COMPANY SECRETARY


KOLUTHARA EXPORTS LTD.


ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT

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

In respect of item No.4 under Special Business.

Mr. Joseph Varghese was appointed as an Additional Director of the Company from 23-05-2002. He holds office of a Director upto the date of the AGM and is eligible for appointment as a Director.

In terms of Section 257 of the Companies Act 1956, the Company has received notice in writing from him signifying his intention to stand as a candidate for the office of the Director and received Rs.500/- from him as deposit.

He is an eminent industrialist and has vast experience in the marine products and in general management. It is in the interest of the Company that he is appointed as a Director. Except himself and none of the other Directors may be concerned or interested in passing of the resolution.

In respect of item No.5 under Special Business.

Mr.A.C. Mathew was appointed as an Additional Director of the Company, in addition to his duty as a Company Secretary, from 24.07.2002. He would hold office of a Director upto the date of the AGM and is eligible for appointment as a Director.

In terms of Section 257 of the Companies Act 1956, the Company has received notice in writing from him signifying his intention to stand as a candidate for the office of the Director and received Rs.500/- from him as deposit.

He has vast experience of management in Private/Public Sector undertakings and has been working in the Company as Company Secretary from July 1993. It is in the interest of the Company that he is appointed as a Director, besides his duty as the Company Secretary. Except himself and none of the other Directors may be concerned or interested in passing of the resolution.

BY ORDER OF THE BOARD

Sd/

A.C.MATHEW

ADDITIONAL DIRECTOR
AND COMPANY SECRETARY

AROOR,
24.07.2002


KOLUTHARA EXPORTS LTD.

DIRECTORS' REPORT

Your Directors are presenting the Thirteenth Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2002. The salient features are highlighted below :

DECLARATION AS A SICK COMPANY

The net worth of the Company was fully eroded by 31st March 1999 due to the loss suffered during 1998-99. As the first application to the Board for Industrial and Financial Reconstruction and the appeal to the Appellate Authority for Industrial and Financial Reconstruction were not accepted by them, the Company filed a second reference to the BIFR on the basis of the financial position as on 31.3.2000. The BIFR had appointed SBI Overseas Branch, Kochi as the Operating Agency and as per the direction of the BIFR, the SBI, Overseas Branch appointed M/s G.R.K Nair & Co., a firm of Chartered Accountants, to conduct a special investigative audit of the accounts of the Company. Accordingly they conducted the audit and reported interalia, that the net worth of the Company was fully eroded etc. On the basis of the SIA Report, the Operating Agency namely the SBI has recommended for the revival of the Company, which is pending before the Hon.BIFR.

OPERATIONS

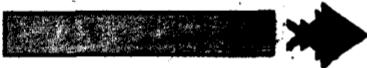
During the year, the Company could not undertake any operation of its own due to lack of Working Capital, in spite of the fact that the Company is a European Union approved unit. However, job works were undertaken by the Company on behalf of two other exporters. The income during the year was only Rs.99.27 lakhs from sales, job works etc. This resulted in heavy loss of Rs.291.45 lakhs during the year and the cumulative loss was Rs.2021.61 lakhs, upto 31.3.2002.

FUTURE PROSPECTS

GOVT. OF INDIA AID

In the last few years, the Seafood Industry in the country, has been facing multifarious problems which made many units sick fully or partially.

With a view to helping the seafood industry, a Task Force was set up by the Govt. of India and on their behalf, the Indian Institute of Management, Calcutta who conducted an indepth study of the problems faced by the Industry, recommended to the Govt. of India, Ministry of Commerce, to set up a reconstruction fund of Rs.500 to Rs.700 Crores for distribution to the units in the Marine Products Industry for the revival. The Ministry of Commerce has sent its proposal to the Ministry of Finance and the matter is under their consideration now. A favourable


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decision is expected from the Ministry of Finance, which is being pursued by the Seafood Exporters' Association of India. The share of your Company from the Fund is about Rs.250 lakhs which, we understand, would be paid to the two Commercial Banks mainly, to partially liquidate their dues.

WORKING CAPITAL

Both SBI and the Vysya Bank Ltd had frozen the Working Capital limits sanctioned by them from 1.4.1999. Only after getting the declaration by BIFR, renewal of this facility can be expected as part of the revival package. In the mean time, the Banks have filed recovery cases against the Company which are pending in Debt Recovery Tribunal, Ernakulam.

BOOK CLOSURE

The Share Transfer Books of the Company will remain closed for the period from 19th to 26 September 2002 (inclusive of both the days) for the purpose of Annual General Meeting of the Company.

PARTICULARS OF EMPLOYEES REQUIRED UNDER SEC.217(2A) OF THE COMPANIES ACT, 1956

There was no employee who was drawing remuneration above the limits mentioned under Section 217(2A) of the Companies Act, 1956 amended by the Companies Amendment Act, 1988.

AUDITORS' REMARKS

Note Nos.3(II)c, 5b, and 11 of the Notes on Accounts adequately explain the corresponding observations made in paras 13, 17 and 15 of the Auditors' Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the annexure, forming part of this report.

DIRECTORS

- a) Dr. George Varghese Koluthara, Director retires at the meeting and does not seek re-appointment as a Director. He is a promoter director of the Company and has been a director since the inception in September 1989. He had rendered very valuable service to


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the Company during his long years of tenure as a Director. The Company places on record its most sincere thanks and appreciation to him.

- b) Mr.K.V. Rajan, Nominee Director of KSIDC, ceased to be a member of the Board from 30.3.2002, as his nomination to the Board was withdrawn by KSIDC. He was the nominee director from 10.12.1998 and during his tenure, he rendered very valuable service to the Company and extended strong support to it in various matters relating to its registration with BIFR and prospective revival of the Company. The Company is happy to place on record its gratitude to him.

AUDITORS

The Company's Auditors, M/s.George, John & Prabhu, Chartered Accountants, Cochin-16 retire at the conclusion of this Annual General Meeting and are eligible for re-appointment,

MEETING OF AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company formed during the previous year, in pursuance of section 292 A of the Companies Amendment Act, 2000 consisted of the following members :

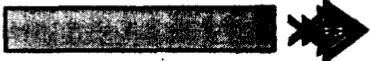
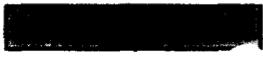
1. Mr. Antony Varghese Koluthara, Chairman
2. Dr. George Varghese Koluthara, Member
3. Mr. K.V.Rajan, Member (upto 30.3.2002)

The Committee met during the year and conducted discussions with the statutory auditors who also attended such meeting, on various matters but its scope was limited as there was no operation of its own during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the Section 217(2AA) of the Companies Amendment Act 2000, the Directors affirm the following.

- (1) In the preparation of the Annual Accounts, the applicable accounting standards have been followed, with proper explanation for any material departure.
- (2) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.

 **KOLUTHARA EXPORTS LTD.** 

- (3) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (4) The Annual Accounts have been prepared generally on a going concern basis. However as mentioned earlier, the reference made to the BIFR is pending for a formal declaration of the Company as a sick unit and a final decision and initiation of action for revival of the Company.

INDUSTRIAL RELATIONS

Industrial relations were satisfactory, as in the previous years.

APPRECIATION

The Directors convey their grateful thanks to Hon. Board for Industrial and Financial Reconstruction, New Delhi, Kerala State Industrial Development Corporation Ltd., Kerala Financial Corporation, The Marine Products Export Development Authority, Central Institute of Fisheries Technology (CIFT), The Export Inspection Agency, The Sea-food Exporters Association of India, State Bank of India and The Vysya Bank Limited. The Directors wish to place on record their sincere appreciation to the employees, share holders and suppliers of the Company for the co-operation and support extended by them.

ON BEHALF OF THE BOARD OF DIRECTORS

Sd/

AROOR
24.07.2002

ANTONY VARGHESE KOLUTHARA
MANAGING DIRECTOR