



KOLUTHARA

EXPORTS LTD.

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SEVENTEENTH

ANNUAL REPORT

2005-2006

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BOARD OF DIRECTORS

ANTONY VARGHESE KOLUTHARA

Managing Director

JOSEPH VARGHESE

Director

A.C.MATHEW

Director

K.P. GEORGE

Addl. Director

REGISTERED OFFICE & FACTORY

VII/41, Keltron Road
Aroor - 688 534
Alappuzha District, Kerala.

BANKERS

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

AUDITORS

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

NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the members of Koluthara Exports Limited will be held at the Registered Office of the Company at VII/41, Keltron Road, Aroor - 688 534, Alappuzha District, Kerala, on Wednesday, the 27th September 2006 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 2006, Balance Sheet as on that date and Report of the Directors and of the Auditors thereof.
2. Mr. A.C. Mathew, Director retires by rotation at the Annual General Meeting and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration in the place of retiring Auditors MESSRS GEORGE, JOHN & PRABHU, Chartered Accountants, M.G.Road, Ernakulam 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 Shri K.P. George, Addl. Director whose appointment expires at the AGM 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.”

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 Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of the business under item No.4 is 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.

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BY ORDER OF THE BOARD

AROOR,
16-08-2006.**ANTONY VARGHESE KOLUTHARA**
MANAGING DIRECTOR

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. K.P. George was appointed as the Addl. Director of the Company from 16th December 2005. He holds office of a Director up to 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 in administrative, financial and legal matters associated with the Company. It is in the interest of the Company that he is appointed as a Director. Except himself none of the other Directors may be concerned or interested in passing of the resolution.

BY ORDER OF THE BOARD

AROOR,
16-08-2006.

ANTONY VARGHESE KOLUTHARA
MANAGING DIRECTOR

DIRECTORS' REPORT

Your Directors are presenting the Seventeenth Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2006. The salient features are highlighted below:

DECLARATION AS A SICK COMPANY

The Hon. BIFR has, on the basis of the hearing held on 18.04.2006, declared the Company Sick u/s (1)(0) of the Sick Industrial Companies (SP) Act 1985 and appointed State Bank of India as the Operating Agency. As directed by the BIFR the Company submitted a one- time settlement proposal to the BIFR through SBI, Overseas Branch, Cochin. The Bank is processing the matter further to the Hon. BIFR. M/s. Tai Aqua Research Foundation Ltd, Cochin has taken Koluthara Exports Ltd facilities on a wet lease in Feb 2006 for revival and settlement of the dues of Banks and Financial Institutions subject to issue of equity shares on the basis of EPS which is to be approved by Hon. BIFR.

OPERATIONS

As in the previous year, the Company could not continue with its own operation of any substantial manner, since the Banks and Financial Institutions did not extend any credit facilities which were withdrawn by them. The value of its own exports came to Rs.310.09 lakhs. As in the previous year, job works were continued to be undertaken on behalf of two other exporters and the income from job works came to Rs.111.95 lakhs. Due to shortage of raw material, job work was also limited. This resulted in a net loss of Rs.214.01 lakhs during the year 2005-06 which included the interest provided by the Company towards the credit facilities/loans and the cumulative loss was Rs.3463.70 lakhs up to 31.3.2006.

FUTURE PROSPECTS

As part of the revival of Sick Seafood Units, KSIDC has formed a Consortium of five sick seafood units including your Company called "Food Consortium (India) Ltd".

It is hoped that with the approval of Hon. BIFR and the support of the SBI, Overseas Branch, Cochin-3 and the active participation and assistance of the Tai Aqua Research Foundation Ltd., the liabilities of the Company could be settled and operations will be revived during 2006-07.

BOOK CLOSURE

The Share Transfer Books of the Company will remain closed for the period from 21st to 27th September 2006 (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.

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

Mr. A.C. Mathew, Director retires at the meeting and being eligible offers himself for re-appointment as a Director.

KOLUTHARA EXPORTS LTD.**AUDITORS**

The Company's Auditors, Mr. 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 in pursuance of section 292 A of the Companies Amendment Act, 2000 had limited scope, in view of very little activity in the Company due to lack of Working Capital with it and being a sick unit declared by the Hon.BIFR.

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.
- 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 in spite of the fact the Hon. BIFR has declared the Company as a sick unit and initiation of action for revival of the Company, has been set on motion.

INDUSTRIAL RELATIONS

Industrial relations were satisfactory, as in the previous years.

APPRECIATION

The Directors convey their grateful thanks to Tai Aqua Research Foundation Ltd, The 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 Seafood Exporters Association of India, the Forum for Revival & Reconstruction of Seafood Export Industries in India, The State Bank of India, The Centurion Bank and The ING Vysya Bank Limited. The Directors wish to place on record their sincere appreciation to the employees, share holders, the job workers and the suppliers of the Company for the co-operation and support extended by them.

ON BEHALF OF THE BOARD OF DIRECTORS

AROOR,
16-08-2006.

ANTONY VARGHESE KOLUTHARA
MANAGING DIRECTOR

ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217(1)(e) read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 and forming part of the Directors' Report for the year ended 31.03.2006.

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

A. CONSERVATION OF ENERGY:-

a) Energy conservation measures taken:

Conservation of energy is a continuous process and the company had taken various steps in this direction during the year under review, as in the past years.

b) The total energy consumption for production was as under:

i) Electricity:	2005- 2006	2004-2005
Purchased Units (KWH)	797700	760184
Total Value (Rs.)	3980411	4125645
Rate per Unit (Rs.)	4.99	5.43
Own Generation:		
(Through Diesel Generators)		
Units generated (KWH)	27463	51967
Litres of Diesel Oil		
per unit	0.25	0.28
Cost per unit (Rs.)	9.10	8.04
ii) Furnace Oil	NIL	NIL
Diesel for boiler	11600 Litres	1000 Litres

B. PARTICULARS REGARDING RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

a) Research and Development.

The Company continued with its R & D programme in its Quality Assurance Laboratory in a limited way, as there was very little exports of its own.

KOLUTHARA EXPORTS LTD.**b) TECHNOLOGY ABSORPTION:**

We had set up an IQF freezing facility in 1992 and the technology had already been fully absorbed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	2005-06	2004-05
a) Earnings:		
Export Sales (Rs.in lakhs)	310.09	32.35
b) Outgo:		
Capital Goods & other materials	NIL	NIL
Foreign Travel	NIL	NIL
Subscription/books	NIL	NIL
Sales Commission	NIL	NIL



ON BEHALF OF THE BOARD OF DIRECTORS

AROOR
16-08-2006

ANTONY VARGHESE KOLUTHARA
MANAGING DIRECTOR