



KOLUTHARA
EXPORTS LTD.

**EIGHTEENTH
ANNUAL REPORT
2006-2007**

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» KOLUTHARA EXPORTS LTD.

BOARD OF DIRECTORS

ANTONY VARGHESE KOLUTHARA

Managing Director

JOSEPH VARGHESE

Director

A.C.MATHEW

Director

K.P. GEORGE

Director

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. 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 Eighteenth 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 28th September 2007 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 2007, Balance Sheet as on that date and Report of the Directors and of the Auditors thereof.
2. Mr. Joseph Varghese, 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.

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. 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

sd/-

AROOR,
17-08-2007.

ANTONY VARGHESE KOLUTHARA
MANAGING DIRECTOR

KOLUTHARA EXPORTS LTD.**DIRECTORS' REPORT**

Your Directors are presenting the Eighteenth Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2007. The salient features are highlighted below :

DECLARATION AS A SICK COMPANY

The Hon. BIFR has, on the basis of the hearing held on 28.06.2007 granted the Company two months' time to resolve the OTS of the Term Lenders and the Banks and to submit a duly tied up revival scheme failing which the Bench will confirm the winding up of the Company and fixed the 3rd September 2007 for the next hearing. The Company hopes to submit a satisfactory proposal at the next hearing.

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.41.07 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 177.17 lakhs. Due to shortage of raw material, job work was also limited. This resulted in a net loss of Rs 515.70 lakhs during the year 2006-07 which included the interest provided by the Company towards the credit facilities/loans and the cumulative loss was Rs 3979.57 lakhs up to 31.3.2007.

FUTURE PROSPECTS

It is still hoped that with the approval of Hon. BIFR and with the support of the SBI, Overseas Branch, Cochin - 682003, other Banks, and the connected public institutions and with the active participation and assistance of M/s. Tai Aqua Research Foundation Ltd., the liabilities of the Company could be settled and operations revived during 2007-08.

BOOK CLOSURE

The Share Transfer Books of the Company will remain closed for the period from 22nd to 28th September 2007 (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. Joseph Varghese, Director, retires by rotation, at the meeting and being eligible offers himself for re-appointment as a Director.

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

KOLUTHARA EXPORTS LTD.

activity in the Company due to lack of Working Capital with it and being a sick unit registered with 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.

INDUSTRIAL RELATIONS

Industrial relations were satisfactory, as in the previous years.

APPRECIATION

The Directors convey their grateful thanks to the Hon. Appellate Authority for Industrial & Financial Reconstruction and 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, State Bank of India, Centurion Bank of Punjab Limited and ING Vysya Bank Limited. And M/s. Tai Aqua Research Foundation Ltd., Kochi. 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.

BY ORDER OF THE BOARD

sd/-

AROOR,
17-08-2007.

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 31.03.2007.

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.

KOLUTHARA EXPORTS LTD.**a) The total energy consumption for production was as under:**

i) Electricity:	2006- 2007	2005-2006
Purchased Units (KWH)	880034	797700
Total Value (Rs.)	4310166	3980411
Rate per Unit (Rs.)	4.89	4.99
Own Generation:		
(Through Diesel Generators)		
Units generated (KWH)	36865	27463
Litres of Diesel Oil per unit	0.28	0.25
Cost per unit (Rs.)	9.61	9.10
ii) Furnace Oil	NIL	NIL
Diesel for boiler	47400 Litres	11600 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.

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

	2006-07	2005-06
a) Earnings:		
Export Sales (Rs.in lakhs)	41.07	310.09
b) Outgo:		
Capital Goods & other materials	NIL	NIL
Foreign Travel	NIL	NIL
Subscription/books	NIL	NIL
Sales Commission	NIL	NIL

BY ORDER OF THE BOARD

sd/-

AROOR,
17-08-2007.

ANTONY VARGHESE KOLUTHARA
MANAGING DIRECTOR