



Agri-marine Exports Ltd.

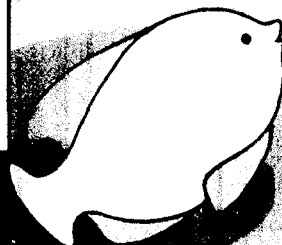
MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DIV	✓
TRA	NA		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		



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ANNUAL REPORT

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BOARD OF DIRECTORS

R MUTHU	Chairman
K D MADAN	Vice Chairman
AL VADIVELU	Director
FIROZ ELIAS	Director
ROY MATHEWS	Director
A GOPALAKRISHNAN	Director
DINESH MADAPA (ALTERNATE TO ROY MATHEWS)	Director
EHJAZ ELIAS	Managing Director

AUDITORS

M/s S VISWANATHAN
Chartered Accountants
Chennai

REGISTERED OFFICE

224, T.T.K Road
Alwarpet
Chennai - 600 018

FACTORY

216-B, Ennore Coastal High Road
Kaladipet
Chennai - 600 019

BANKERS

Indian Bank

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Twelfth Annual General Meeting of the members of AGRI-MARINE EXPORTS LIMITED will be held at 11.00 A.M. on Monday, the 29th day of September 1997 at Indian Bank Management Academy for Growth and Excellence (IMAGE), M.R.C Nagar, R.A Puram, Chennai - 600 028 to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 1997 and Profit and Loss account for the year ended 31st March 1997 and the Reports of the Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in the place of Thiru AL Vadivelu who retires by rotation and being eligible offers himself for re-election.

4. To appoint a Director in the place of Thiru R. Muthu who retires by rotation and being eligible offers himself for re-election.
5. To consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution

"RESOLVED THAT M/s S Viswanathan, Chartered Accountants, Chennai, the retiring Auditors be and are hereby re-appointed as the Auditors of the Company to hold office until the conclusion of the next Annual General Meeting, on such remuneration as may be decided by the Board of Directors in addition to reimbursement of out of pocket expenses incurred by them."

11th August 1997
Chennai - 600 018

By Order of the Board
EHJAZ ELIAS
Managing Director

NOTES

- A. 1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on poll, to vote instead of himself/herself and a proxy need not be a member of the company. The instrument appointing the Proxy shall be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the commencement of the meeting. In default, the instrument of proxy shall not be treated as valid.
2. The Register of Members and the Share Transfer Books will remain closed from 23rd September 1997 to 29th September 1997, both days inclusive.
3. Dividend upon its declaration at the meeting will be paid free of tax to those members whose names appear in the Register of Members of the company on 29th September 1997.
- B. 1. Members are requested to notify immediately any change in their address to the Company.
2. Shareholders seeking any information with regard to accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
3. Members / Proxies should bring the attendance slip duly filled-in for attending the meeting.
4. Shareholders are requested to bring their copy of Annual Report for the meeting.



DIRECTORS' REPORT

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twelfth Annual Report along with the Audited Accounts for the year ended 31st March 1997.

FINANCIAL RESULTS

Your Company has recorded a total turnover of Rs 1198.12 Lakhs during the last financial year 1996-97. The Net Profit of your Company during the last Financial year is Rs 10.87 Lakhs.

The financial results of the company for the year ended 31st March 1997 are summarised as follows :

	Rs. in lakhs
Net sales/Income from operation	1,198.12
Other Income	43.78
Total Expenditure	1,046.17
Interest	138.91
Gross Profit after interest but before depreciation and taxation	56.82
Depreciation	44.14
Provision for taxation	
- Income Tax	1.59
- Wealth Tax	0.22
Net Profit	10.87

APPROPRIATIONS

General Reserve	—
Proposed Dividend and Tax	21.71

PROJECTIONS VS ACTUALS

(In terms of Clause 43 of the Listing Agreement)

The following are the Financial Projections as indicated in the Prospectus dated 26th August 1994 with the actuals for the year ended 31st March 1997 :

	(Rs. in Lakhs)	
	Projections	Actuals
Sales/Income from other sources	3,780.00	1,198.12
Profit before depreciation & tax	521.51	56.82
Net Profit after Tax	334.27	10.87
Explanation for variance from projections		

The Aqua-culture Industry remained sluggish throughout the year due to Government policies affecting the Industry, appeal by Environmentalists to demolish Shrimp Culture, Virus-spread affecting Shrimps and prevailing adverse market conditions which inturn affected the supply of raw materials to the Company.

MARKETING

The total turnover of your company during the last year to various markets was in the following ratio :

USA	15.40 %
Europe	13.50 %
Singapore	15.80 %
UAE	11.20 %
Other Markets	44.10 %

Your Company has received an offer from Ocean to Ocean Sea Food Sales, USA to buy sea food annually for 20 Million US Dollars.

PROJECT DETAILS

A new factory in Chennai has commenced commercial production is one of the most modern and versatile in the country. The plant and Machinery in the Factory are equipped with modern processing techniques confirming to International standards and stringent quality specifications.

FUTURE PLANS

The current ban on Indian Seafood by European Union (EU) is expected to be lifted shortly, with only Companies which fully comply the EU specification, being permitted to export to that market.

Your Company will certainly qualify for this approval, which will be a boost for its future prospects. As this huge market will be open only to a selective few, your Company expects to have a monopoly of this business in Tamil Nadu region.

Due to versatility of the Factory, your Company is venturing into export of Processed Food Products and Vegetables.

SUBSIDIARY COMPANIES

M&M Harvests Limited and Agri-marine (Europe) Limited became Subsidiaries of your Company during this year. The Turnover of Agri-marine (Europe) Limited amounted to 23,13,599 UK Pounds while M&M Harvests achieved a Turnover of Rs. 42,75,404.

DIVIDEND

The Directors of your Company have pleasure to recommend 4 % Dividend for the year ended 31st March 1997.

PUBLIC DEPOSIT

The Company has not accepted any deposit from the public during the year.

DIRECTORS

Under Article 79 of the Articles of Association of the Company, Thiru AL Vadivelu and Thiru R. Muthu, Directors of the Company are retiring by rotation and they are eligible for re-appointment.

PARTICULARS OF EMPLOYEES

With regard to information relating to employees covered under Section 217(2)(A) of the Companies Act, we wish to report that no employee of the Company is in receipt of remuneration during the year under review aggregating Rs. 3,00,000/- or more per annum or Rs 25,000/- or more per month where employed for a part of the year.

AUDITORS

M/s S Viswanathan, Chartered Accountants, appointed as statutory Auditors at the Eleventh Annual General Meeting

held on 27th September 1996, retire at the conclusion of the Twelfth Annual General Meeting and are eligible for re-appointment.

CLARIFICATION ON THE AUDITOR'S COMMENTS

Regarding Auditors' Comments concerning confirmation of Balances, steps are being taken to obtain confirmation of Balances from Sundry Debtors, Sundry Creditors and also from other parties in respect of Local and Advances.

Regarding Auditors' comments in Note 5, the Note is self-explanatory.

ACKNOWLEDGEMENTS

The Board of Directors thanks its Shareholders, Bankers and Financial Institutions for their continued support and wishes to place on record its sincere appreciation and gratitude to all its employees for their contribution.

For and on behalf of the Board

11th August 1997
Chennai - 600 018

R MUTHU
Chairman

Disclosure of particulars with respect to conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the report of the Board of Directors for the year ended 31st March 1997.

(Rs.in Lakhs)

Total Foreign Exchange Earnings during the year	1103.01
Total Foreign Exchange used during the year	91.05

The particulars regarding conservation of Energy, Technology Absorption and R & D are not applicable during the year.



REPORT OF THE AUDITORS' TO THE MEMBERS

We have audited the attached Balance Sheet of Agri-Marine Exports Limited as at 31st March 1997 and the Profit and Loss account for the year ended on that date annexed thereto and report that :

1. As required by the Manufacturing and other companies (Auditors Report) order 1988, issued by the Company Law Board in terms of Sec 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said order.

2. Further to our comments in the annexure referred to in paragraph 1 above :

(i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

(ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of the books.

(iii) The Balance Sheet and Profit and Loss Account referred to, in this report, are in agreement with the books of accounts.

(iv) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with notes thereon, subject to note No 4 regarding Confirmation of Balances and note No 5 regarding capitalisation of interest pertaining to term loan from IDBI, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:

(a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March 1997 and

(b) In the case of the Profit and Loss account of the Profit of the Company for the year ended 31st March 1997.

Date : 11th August, 1997
No 8A, Bishop Wallers Avenue
Mylapore
Chennai - 600 004

for M/s S VISWANATHAN
C N GANGADARAN
Partner
Chartered Accountants

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our report of even date to the Members of AGRI-MARINE EXPORTS LIMITED on the accounts for the year ended 31st March, 1997.

1. The company is maintaining proper records showing full particulars including quantitative details and situation of Fixed Assets. The Fixed Assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.
2. None of the Fixed Assets have been revalued during the year.
3. The Stock of Finished Goods, Raw Materials and Stores have been physically verified by the Management during the year, at reasonable intervals.
4. In our opinion, the procedure of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
5. The discrepancies noticed on verification between physical stocks and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
6. In our opinion, Valuation of Stock is fair and proper and in accordance with normally accepted accounting principles and is on the same basis as in the preceeding year.
7. The Company has not taken any secured/unsecured loans from companies, firms or other parties listed in the register, maintained under Section 301 and we are informed that there are no Companies under the same management as defined in Section 370(1B) of the Companies Act, 1956.
8. The Company has granted Unsecured loans in the nature of deposits to companies, firms or other parties listed in the register maintained under Sec 301 of the Companies Act, 1956 and the terms and conditions are not prima facie prejudicial to the interest of the Company and it has been explained to us that there are no companies under the same management as defined in section 370(1B) of the Companies Act, 1956.
9. The Parties/Employees to whom loans or interest free advances, in the nature of loans respectively were given, are repaying the principal amount as stipulated and are also regular in payment of interest, wherever applicable.
10. In our opinion and according to the information and explanation given to us, there are adequate internal control procedure commensurate with the size of the company and nature of its business for purchase of Raw Materials stores, Raw Material including components, plant and machinery, equipment and other assets and for the sale of goods.
11. During the year there were purchases of goods or material and sale of goods, material or services exceeding Rs 50,000/- in value from/to firms, companies or other parties in which Directors are interested in pursuance of contracts entered into with them, as maintained under Section 301 of the Companies Act, 1956, at prices which are reasonable, having regard to the information and explanations available for prevailing market prices for such goods and materials or the prices at which transactions for similar goods have been made with other parties.
12. As explained to us, there were no unserviceable or damaged stores (or) raw materials to be determined at the end of the year.
13. The Company has not accepted any deposits to which the provisions of Section 58A of the Companies Act, 1956 are applicable.
14. As explained to us, the company's operations do not generate any significant scrap or by-products.
15. The company has an Internal Audit system, commensurate with the size of the company and nature of its business.
16. As explained to us, the Central Government has not prescribed any maintenance of cost records for the industry under Section 209(I)(D) of the Companies Act, 1956.



17. The company is regular in depositing Provident Fund and ESI dues with the appropriate authorities.

18. There are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty outstanding as at the last day of the Financial Year concerned, for a period of more than six months from the date they became payable.

19. In our opinion and according to the explanations given to us, no personal expenses have been charged to the Revenue account, other than those payable under

contractual obligations, or in accordance with generally accepted business practices.

20. The company is not a sick industrial company within the meaning of Clause(O) of Sub-Section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

Date : 11th August, 1997
No 8A, Bishop Wallers Avenue
Mylapore
Chennai - 600 004

for M/s S VISWANATHAN
C N GANGADARAN
Partner
Chartered Accountants

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BALANCE SHEET AS ON 31st MARCH 1997

		Schedule		As at 31st March 1997		As at 31st March 1996	
		Rs.	P.	Rs.	P.	Rs.	P.
A. SOURCES OF FUNDS							
1. SHARE HOLDERS' FUNDS							
a.	Share Capital	01	4,93,48,000.00			4,93,48,000.00	
b.	Reserves & Surplus	02	2,92,68,887.22			3,03,52,821.08	
				7,86,16,887.22			7,97,00,821.08
2. LOAN FUNDS							
a.	Secured Loans	03	8,87,73,969.20			9,37,86,193.20	
b.	Unsecured Loans	04	4,63,24,156.73			32,82,684.95	
				13,50,98,125.93			9,70,68,878.15
				28,27,027.78			47,21,694.44
				21,65,42,040.93			18,14,91,393.67
B. APPLICATION OF FUNDS							
1. FIXED ASSETS							
a.	Gross Block	05	4,48,18,921.81			3,86,55,808.31	
	Less: Depreciation		1,01,93,203.18			57,90,931.92	
	Net Block			3,46,25,718.63			3,28,64,876.39
b.	Capital Work-in-Progress & Advance for Capital Items			4,91,05,793.63			3,75,25,628.01
				1,03,75,350.00			
2. INVESTMENTS							
3. CURRENT ASSETS, LOANS AND ADVANCES							
a.	Inventories	07	4,71,69,427.86			3,75,73,837.16	
b.	Sundry Debtors	08	6,84,17,839.27			7,89,11,216.79	
c.	Cash & Bank Balances	09	21,77,271.08			10,81,849.64	
d.	Loans, Advances & Deposits	10	3,42,17,049.88			1,38,89,341.54	
			15,19,81,588.09			13,14,56,245.13	
	Less: Current Liabilities & Provisions	11	3,79,80,543.58			2,76,52,808.16	
NET CURRENT ASSETS				11,40,01,044.51			10,38,03,436.97
4. MISCELLANEOUS EXPENDITURE				84,34,134.16			72,97,452.30
(To the extent not written off)							
				21,65,42,040.93			18,14,91,393.67

Note: Schedule 1 to 11 and notes on accounts thereon form part of this Balance Sheet.

R MUTHU
ChairmanK D MADAN
Vice-ChairmanEHJAZ ELIAS
Managing Director

As per our report of even date

AL VADIVELU
A GOPALAKRISHNAN
DINESH MADAPA
Directorsfor M/s S VISWANATHAN
C.N. GANGADARAN
Partner
Chartered AccountantsPlace : Chennai
Date : 11th August, 1997