



**SSF**

**SSF LIMITED**

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**36<sup>th</sup>**  
**ANNUAL REPORT**  
**2003 – 2004**



## SSF Limited Chennai

### **Board of Directors**

**MR. V.A. KURIEN**

Chairman and Managing Director

### **DIRECTORS**

**M.A.A. KHALEELI**

**MR. SANJAY A. WADHWA**

**V. PADMANABHAM - Whole Time Director**

### **Auditors**

**Sudhindran & Co.**

Chartered Accountants

G/1, Kesari Kutteram

27, West Cott Road,

Chennai - 600 014.

### **Bankers**

**Indian Overseas Bank**

### **Share Transfer Agent**

**Trident Investments & Portfolio Services (P) Ltd.,**

7, 4th Main Road, United India Colony,

Kodambakkam, Chennai - 600 024.

Phone : 24844204, 24844217

### **Registered Office**

'Montieth Court'

No. 64, Montieth Road,

Egmore, Chennai - 600 008.

### **Units**

#### **Factory - Visakhapatnam**

Chinnamushidivada

Pendurthi

Visakhapatnam - 531 173.

#### **Factory - Kakinada**

Jagannaickpur

Kakinada - 533 002.

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SSF Limited Chennai

### NOTICE TO THE SHARE HOLDERS

Notice is hereby given that the 36<sup>th</sup> Annual General Meeting of the Company will be held on Wednesday the 29<sup>th</sup> day of September 2004 at Tamil Nadu Small and Tiny Industries Association (TANSTIA), No.10, G.S.T.Road, II floor, Guindy, Chennai – 600 032 at 10.00.A.M to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance sheet as at 31<sup>st</sup> March 2004 and Profit and Loss Account for the year ended 31<sup>st</sup> March 2004 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of, Mr.Sanjay Arjundas Wadhwa, Director who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company who shall hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. M/s Sudhindran & Co., Chartered Accountants, Chennai, being the retiring auditors are eligible for re-appointment.

#### SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and subject to provisions contained in Schedule XIII of the Companies Act, 1956 and also subject to such approvals as may be necessary, consent and approval of the Company be and is hereby accorded for the re-appointment of Mr.V.A.Kurien as Managing Director of the Company, who fulfills the conditions laid down in Schedule XIII of the Companies Act, 1956, for a period of Five years commencing from 01.01.2004-and he be paid a monthly remuneration not exceeding Rs. 50000/- including all perquisites and benefits. The above said remuneration has been approved by the remuneration committee constituted as per the requirements of law.

**"RESOLVED FURTHER THAT** though the appointment is with effect from 1<sup>st</sup> January 2004; Mr.V.A.Kurien will be paid the remuneration only from October 2004".

**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to fix the break up of the remuneration payable to Mr. V.A.Kurien, Chairman & Managing Director within the overall ceiling limit of Rs.50000/- per month keeping in view of Income Tax aspects from time to time and in the event of absence of inadequacy of profits in any financial year the incumbent will be paid the above remuneration as minimum remuneration subject to and in addition to the ceiling laid down in Schedule XIII of the Companies Act, 1956 and also subject to the approval of the Central Government in this regard as may be required."

5. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution.

**"RESOLVE THAT** Mrs. Mary Rodrigues in respect of whom the company has received a notice in writing under Section - 257 of the Companies Act, 1956 along with the requisite deposit amount from a member of the Company signifying his intention to propose her as a candidate for the office of a Director of the company be and is hereby appointed as a Director of the company liable to retire by rotation".

Place : Chennai  
Date : 26.08.2004

For & on behalf of the Board  
Sd/-  
V.A. Kurien  
Chairman & Managing Director



**SSF Limited Chennai**

## NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy or proxies so appointed need not be a member or members as the case may be of the company. The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the company not later than 48 hours before the time fixed for holding the meeting.
2. The Register of members and the share transfer books of the company will remain closed from 27<sup>th</sup> September 2004 to 29<sup>th</sup> September 2004 both days inclusive.
3. Members are requested to notify immediately any change in their address to the company.
4. As a measure of economy, copies of the annual report will not be distributed at the annual general meeting. Members are therefore requested to bring their copies of the annual report to the meeting.
5. Members are requested to affix their signature at the space provided on the attendance sheet annexed to the proxy form and hand over the slip at the entrance of the meeting hall.
6. No gifts/refreshments will be provided at the venue of the meeting.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

#### ITEM NO - 4:

Keeping in view of the valuable contribution made by Mr.V.A.Kurien, Chairman and Managing Director during his tenure for the growth of the Company, the Board of Directors of the Company had decided to re-appoint Mr.V.A.Kurien as Chairman and Managing Director for a further period of five years commencing from 01.01.2004 on such terms and conditions as set out in Notice convening the Annual General meeting of the Company. This requires approval in General meeting and hence your Directors recommend the proposed resolution to be passed as an Ordinary Resolution.

Mr.V.A.Kurien is deemed to be concerned /interested in this resolution.

#### ITEM NO -5:

It is proposed to appoint Mrs. Mary Rodrigues as Director of the Company. A notice has been received from one of the members of the company under Section-257 of the Companies Act 1956, along with a deposit of Rs.500/- signifying his intention to propose the candidature of Mrs. Mary Rodrigues for the office of director and to move the resolution as set out in item No.5 of this notice. The Directors recommended the resolution for adoption by the shareholders.

Your Directors recommended this resolution to be passed.

Mrs. Mary Rodrigues is deemed to be concerned/interested in this resolution.

Mr.V.A. Kurien being a relative is also deemed to be interested in this resolution.

For & on behalf of the Board

Sd/-

V.A. Kurien

Chairman & Managing Director

Place : Chennai

Date : 26.08.2004



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## DIRECTORS REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

The Directors are pleased to present the 36<sup>th</sup> Annual Report and the Audited Accounts for the year ended 31.03.2004.

### FINANCIAL HIGHLIGHTS / PERFORMANCE

The highlights of the financial performance of the company are as follows:

Particulars	Year Ended 31.03.2004 (Rs. in Lakhs)	Year Ended 31.03.2003 (Rs. in Lakhs)
Total Income	883.53	901.53
Increase / (Decrease) in Stock	+27.55	-8.86
Total Expenditure	878.02	865.71
Operating Profit before Interest, Depreciation, Tax & Miscellaneous Expenses	33.06	26.96
Interest	<b>28.26</b>	26.69
Cash Profit / (Loss)	4.80	0.27
Depreciation	14.85	16.08
Misc. Expenditure Written Off	8.04	8.04
Profit / (Loss) before Tax	-18.09	-23.85
Provision for Deferred Tax	2.12	1.59
Profit / (Loss) after Tax	-20.21	-25.44

### DIVIDEND

Your Directors have not recommended any dividend for the year 2003 - 2004 due to insufficient profits.

### OPERATIONS

During the year the Company's operations was quiet satisfactory. The Company had made Profit before depreciation and preliminary expenditure of Rs. 480350.42 as against Rs.27148.77 during the financial year ended 31.03.2004. During the year there was no cash loss to the Company. The Depreciation and writing off Deferred expenditure has brought about negative profits to the Company. The Company has taken various measures for reduction of overheads and discontinuation of non-profit making operations for achievement of better results in future years to come. We are glad to inform you that the Company has maintained the same trend and during the current year it has yielded marginal profits. Your Company is hopeful of better performance and reasonable profits for the current year.

### DIRECTORS

Mr.Sanjay Arjundas Wadhwa, Director liable to retire by rotation being eligible offers himself for re-appointment. During the year the Board of Directors have re-appointed Mr.V.A.Kurien as Chairman and Managing Director of the company w.e.f.01.01.2004 for a period of 5 years.

It is proposed to appoint Mrs. Mary Rodrigues as Director of the Company. Notice have been received under Section 257 of the Companies Act, 1956 from a member of the Company for her appointment as Director of the Company. Keeping in view the expertise of Mrs. Mary Rodrigues in this industry, your Directors propose to appoint her as Director of the Company.

### AUDITORS

The Auditors of the Company M/s. Sudhindran & Co, retire at the conclusion of this meeting and being eligible offer themselves for re-appointment to hold office till the conclusion of the next Annual General Meeting.

Regarding the remarks of the Auditors for non-provision in the diminution in the value of investments to the tune of Rs.27,66,336/- the notes to the Accounting Policy in Point No - 4 is self explanatory.



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### AUDIT COMMITTEE

The Company has constituted an Audit committee comprising of Mr. V.A.Kurien, Mr.Sanjay Arjundas Wadhwa & Mr. Azeez Khaleeli as its members. The role, terms of reference, authority and powers of Audit Committee are in conformity with the provisions of the Companies Act, 1956 inserted by Companies Amendment Act, 2000. The Audit committee has had their meetings as per statutory requirements and has made no adverse comments.

### INDUSTRY STRUCTURE AND DEVELOPMENT

The Industry is going through lots of changes due to condition laid down by the government in the importing countries. The Industry has started seeing things in its reality, which is of good sign.

### OPPORTUNITIES AND THREATS

New rules and new regulations from various countries might bring about far reaching changes in the pricing structure. The Company has very sound control systems with each and every kilogram being accounted from the time of purchase to the time of export.

### OUTLOOK

As the Company is mainly engaged in the business of processing, sale and exports of marine products to various parts of the world, the Company has been cautious in complying with exports norms and considering the regulations of the country to which it supplies its products and the Company's approach during this year has helped to consolidate the working results and if this trend continues the Company should have better years to come.

### INTERNAL CONTROL SYSTEMS & ADEQUACY

Suitable control measure has been put in place and periodic checks are done to ensure norms are followed. The Company has adequate internal control procedures commensurate with the size of the company and the nature of its business.

### HUMAN RESOURCES

Much emphasis has been given to the quality of work and keeping this in view staff are systematically trained to do all round jobs. The Company has maintained cordial relationship with its employees throughout the year.

### PARTICULARS OF EMPLOYEES AS PER SECTION 217(2A) & INFORMATION PURSUANT TO SECTION-217 (2AA) OF THE COMPANIES ACT, 1956

There are no employees drawing remuneration in excess of the limits specified under Section-217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

None of the Directors of the company are disqualified from being appointed as a Director under Section-274(1) (g) of the Companies Act, 1956

### DIRECTORS RESPONSIBILITY STATEMENT U/S.217 (2AA) OF THE (COMPANIES AMENDMENT) ACT, 2000, INDICATING THEREIN;

- i) That in the preparation of the Annual Accounts for the financial year ended 31.03.2004, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) That the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the State of affairs of the company as on 31.3.2004 and of the loss of the company for the financial year ended 31.3.2004.
- iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) That the directors had prepared the annual accounts for the financial year ended 31.03.2004 on a going concern basis.

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

As required under Section 217(1)(e) of The Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the report of the Board of Directors) Rule 1988, the particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are furnished below:

#### A. Conservation of Energy

The Company has been emphasising on the conservation of energy and has taken several steps including regular monitoring and reduction of consumption, transmission losses and has improved regular maintenance of the existing systems.



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## Power and Fuel consumption for the factory

Particulars	Year Ended 31.03.2004 (Rs. in Lakhs)	Year Ended 31.03.2003 (Rs. in Lakhs)
<b>Electricity Consumed</b>		
No. of Units (Kwh)	13,89,704	13,23,599
Total Amount (Rs.)	59,75,513	59,94,598
Average Cost per Unit (Rs.)	4.30	4.53
<b>Own Generation (thro' Diesel Generator)</b>		
No. of Units (Kwh)	20,328	45,892
Average Unit / Litre of Diesel Oil (Kwh)	3.08	3.08
Total Fuel cost of Generation (Rs.)	140,859	279,280
Average Cost / Unit (Rs.)	6.93	6.08

**B. Foreign Exchange Earnings and Outgo**

The Company has made Exports and earned valuable Foreign Exchange for the country. The Foreign Exchange earned in Indian Currency equivalent by way of F.O.B. value of Exports is Rs.6,91,30,453/- . The Company has not spent foreign exchange on foreign travel and import of consumables.

**CORPORATE GOVERNANCE**

The Corporate Governance report as set out in Annexure hereto form an integral part of this report. A Certificate from the auditors of the company certifying compliance of the conditions of corporate governance as stipulated in Clause 49 of the listing agreement with stock exchanges is also annexed to the report on Corporate Governance.

**PUBLIC DEPOSITS**

The Company has not accepted any Public Deposits during the year.

**DEPOSITORY SYSTEM**

Pursuant to the Directions of the Securities and Exchange Board of India, the company's Securities has been dematerialised and also admitted into National Securities Depository Limited and has been allotted with ISIN – INE418F01015.

**STATEMENT PURSUANT TO LISTING AGREEMENT**

The Company's Shares is listed with Madras Stock Exchange Limited. Your company has paid the Annual listing Fees up-to-date and there are no arrears.

**ACKNOWLEDGEMENT**

Your Directors place on record the valuable services rendered by the Company's employees, bankers and other agencies associated with the company. The Board looks forward to their continued support in the future endeavours.

Place : Chennai  
Date : 26.08.2004

by order of the Board  
Sd/-

V.A. Kurien  
Chairman & Managing Director

**CAUTION**

This Report is based on the current situation, past experience and information available to the Company about its various businesses and assumptions regarding economic and industrial scenario, Governmental and other regulatory policies. The Performance of the Company is, to a great extent, dependent on these factors. The future performance may be materially influenced by the changes in any of these factors, which are beyond the control of the Company and may affect the views expressed in or perceived from this Report. Therefore the investors are requested to make their own independent judgments by taking into account all relevant factors before any investment decision.



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## ANNEXTURE TO DIRECTORS' REPORT

### REPORT ON CORPORATE GOVERNANCE

#### 1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE.

The main aim of the concept of Corporate Governance is to create a balance which would result in long term value additions to the Investments of Shareholders while catering to the interest of employees, customers, suppliers, Government and public at large, which covers in its ambit the concept of Social responsibility of Corporates also.

The Company's philosophy/objective on Corporate Governance is to comply with the laws of the land, enhance the earnings per share and ensure discipline, transparency and accountability. The Management of the Company believe that the corporate performance in the long run is co-related to Corporate Governance and that will governed Companies mitigate 'Non-business risks' better. The Company endeavors to adopt the best practices in Corporate Governance and thereby aims to increase the value for all its stakeholders.

#### 2. Board of Directors

##### A. Composition of Board

The Present strength of the Board is 4. The Board comprises on Non Executive Directors and a Wholetime Director. The Board of Directors of the Company is a follows;

V.A. Kurien	Chairman & Non executive Director
Sanjay Arjundas Wadhwa	Non Executive Director
M.A.A. Khaleeli	Non Executive Director
V. Padmanabham	Executive Director

The attendance particualars at the Board meetings and Annual General Meeting are as follows

Name	Category	No. of BM (A)	AGM (A)	No. of Directorships & Committee member in other Public Limited Companies	
				Directorship	Committee Member
V.A.Kurien	P E N I	5	Y	2	1
Sanjay Arjundas Wadhwa	I N E	4	Y	1	2
M.A.A. Khaleeli	I N E	3	Y	-	-
V. Padmanabham	E I	3	Y	-	-



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BM (A) – Board Meeting Attendance during the 2003 - 2004, Y-Yes, N-No, AGM (A) – Whether Attended Annual general meeting held on 30.09.2003, C - Chairman, E- Executive, NE- Non executive, I- Independent, NI- Non Independent.

5 (Five) Board Meetings were held during the year 2003 – 2004 and the dates on which the Board meetings were held were as follows:(30.04.2003, 31.07.2003, 21.08.2003, 30.10.2003 and 30.01.2004).

The information as required under Annexure I to Clause 49 is being made available to the Board. None of the Non-executive Directors of the Company has any pecuniary relationship or transaction with the Company.

### B. BOARD PROCEDURE

The Company has convened 5 (Five) Board Meetings during the Financial Year 2003-04. The Notices of the Board meeting were sent a week in advance to all the Directors to enable them to make themselves convenient to attend the Meeting. The detailed Agenda for the meeting along with notes if any, were sent to the Directors about one week to ten days before the Meeting. The Managing Director would give a overview of the performance of the Industry, in general and the Company, in particular. The Board of Directors generally reviewed the following:

- ⇒ Annual operating plans
- ⇒ Compliance with statutory and legal requirements.
- ⇒ Adoption of quarterly un-audited financial results.
- ⇒ Funding requirements and patterns of the Company.
- ⇒ Transaction of Capital nature.
- ⇒ Proceedings of the Committee Meetings.

### C. Bio – Data of Directors proposed to be appointed / re-appointed:

Name of the Director	Sanjay Arjundas Wadhwa
Age	38 years
Qualification	B.Com, M.B.A
Nature of Expertise	Wide Business Experience
Date of First Appointment	23.03.2001
Name of the other Companies in which he holds Directorship	SI Capital & Financial Services Limited
Name of the Director	V.A.Kurien
Age	73 Years
Qualification	C.A
Nature of Expertise	Wide Business Experience
Date of First Appointment	01.02.1965
Name of the other Companies in which he holds Directorship	SI Capital & Financial Services Limited Sapphire Fisheries Limited
Name of the Director	Mrs. Mary Rodrigues
Age	45 Years
Qualification	B.A, Certificate in Business Management - USA
Nature of Expertise	Wide Business Experience
Date of First Appointment	-
Name of the other Companies in which she holds Directorship	SI Capital & Financial Services Limited

### 3. REMUNERATION COMMITTEE

The Remuneration Committee as constituted by the Company have approved the proposed remuneration payable to Mr. V.A. Kurien, Chairman & Managing Director during the year.

### 4. REMUNERATION TO DIRECTORS

The Company pays sitting fees of Rs.500/- per meeting for each meeting attended by the mem-



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bers of the Board plus reimbursement of actual expenses and out of pocket expenses incurred by them for official purposes.

Mr.V.A.Kurien, Chairman & Managing Director was being reimbursed only actual expenses and out of pocket expenses incurred by him for official purposes. Mr.V.Padmanabham, Wholetime Director is being paid remuneration of Rs.23000/- per month plus reimbursement of actual expenses and out of pocket expenses incurred by him for official purposes which was duly approved by the share holders at the Annual General Meeting held on 29.10.2001.

Mr.V.A.Kurien was re-appointed as Chairman & Managing Director with effect from 1.1.2004 at a salary of Rs.50,000/- per month, however, he will be paid remuneration only from 1.10.2004.

### 5. AUDIT COMMITTEE

The Company had constituted an Audit Committee to confirm to the requirements of Companies Act, 1956 and Clause 49 of the Listing Agreement. The Committee had held three Meetings during the financial year 2003-04 and the details of Compositions of the Audit Committee and the meetings attended by the Directors are given below:

Name of Members	No of Meetings attended during the year 2003 – 2004
Mr.M.A.A.Khaleeli	3
Mr.V.A.Kurien	3
Mr.Sanjay Arjundas Wadhwa	3

The necessary quorum was present at the meeting. Mr.Sanjay Arjundas Wadhwa is Chairman of Audit Committee. The Audit Committee acts in accordance with the terms of reference specified by the Board. The representatives of the Statutory Auditors attended the audit committee meetings. The Terms of reference of the Audit committee broadly are as under:

- ⇒ To review the quarterly, half yearly and Annual financial results of the company before submission to the Board
- ⇒ To make recommendations to the Board on any matter relating to the financial management of the company including the Audit Report.
- ⇒ To review the accounting and financial policies and practices.
- ⇒ To review the internal control mechanism and monitor risk management policies adopted by the company and ensure compliance with regulatory guidelines.
- ⇒ To review reports furnished by the Internal and Statutory Auditors and ensure that suitable follow – up action is taken.
- ⇒ To examine the accountancy, taxation and disclosure aspects of all the significant transactions.

### 6. SHAREHOLDERS COMMITTEE.

The Company is already having a Share Transfer Committee consisting of three Directors Viz., Sri V.A.Kurien, Sri M.A.A.Khaleeli, and Sri Sanjay Arjundas Wadwa, as its members. Sri M.A.A.Khaleeli, Director is the Chairman of the Committee.

This Committee is also performing the functions of catering to the Shareholder grievances. The Company had received 20 Complaints during the financial year 2003-04 and the above said Committee had sorted out all the grievances to the satisfaction of the Shareholders. There were no Share Transfers pending as on 31/03/2004. In accordance with the Notification issued by SEBI, the administration of transactions relating to Shares in Physical form have been handed over to the Registrars/Share Transfer Agents M/s Trident & Investment & Portfolio Services Private Limited, No – 7, 4<sup>th</sup> Main Road, United India Colony, Kodambakkam, Chennai – 24..

#### Name, Designation and Address of Compliance Officer:

Mr.V.A.Kurien, Chairman & Managing Director

No – 64, Montieth Road, Egmore, Chennai – 600 008

No of Complaints received from Shareholders from 01.04.2003 – 31.03.2004 - 20

No. Not solved to the satisfaction of shareholders as on 31.03.2004 - 2

No of Pending Share Transfers as on 31.03.2004 - Nil