



**SSF**

# **SSF LIMITED**



## **38th** **ANNUAL REPORT** **2005 - 2006**



## SSF Limited Chennai

### Board of Directors

**Mr. V.A. KURIEN**

Chairman and Managing Director

### DIRECTORS

**Mr.M.A.A. KHALEELI**

**Mr. SANJAY A. WADHWA**

**Mr.V. PADMANABHAM**

Whole Time Director

**Mrs. MARY RODRIGUES**

**Mr. U. PRABHAKAR RAO**

### Auditors

**SUDHINDRAN & CO.**

Chartered Accounts

G/1, Kesari Kutteram

27, West Cott Road,

Chennai - 600 014.

### Bankers

**Indian Overseas Bank**

### Share Transfer Agent

### Trident Investments & Portfolio Services

**(P) Ltd.,**

No. 27, ARK Colony,

Eldams Road,

Alwarpet,

Chennai - 600 018.

Phone : 65254632

### 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

Notice is hereby given that the 38<sup>th</sup> Annual General Meeting of the Company will be held on Saturday the 30<sup>th</sup> day of September 2006 at, Tamil Nadu Small and Tiny Industries Association , 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 2006 and Profit and Loss Account for the year ended 31<sup>st</sup> March 2006 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of, Mrs.Mary Rodrigues, Director who retires by rotation and being eligible, offers herself 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, the following resolution as an Ordinary Resolution:

**"RESOLVED** that Mr.U.Prabhakar Rao be and is hereby appointed as a Director of the Company."

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For & on Behalf of the Board

Sd/-

**V.A.Kurien**

Chairman & Managing Director

Place : Chennai  
Date : 5-09-2006

#### 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 2006 to 30<sup>th</sup> September 2006 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.

**SSF Limited Chennai**

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

**ITEM NO - 4:**

The Profile of Mr.U.Prabhakar Rao appears in the Corporate Governance Report. The Company has received notice(s) pursuant to Section 257 of the Companies Act, 1956 from a member along with a deposit of five hundred rupees signifying his intention to propose the appointment of Mr. U.Prabhakar Rao as a Director of the Company at the ensuing Annual General Meeting, and for the purpose of his appointment the necessary resolution is enclosed in the notice.

*None of the Directors other than Mr.U.Prabhakar Rao is interested in the Resolution*

For & on Behalf of the Board

Sd/-

**V.A.Kurien**

Chairman & Managing Director

Place : Chennai

Date : 05-09-2006

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**SSF Limited Chennai**

## DIRECTORS REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

The Directors are pleased to present the 38<sup>th</sup> Annual Report and the Audited Accounts for the year ended 31.03.2006.

### **FINANCIAL HIGHLIGHTS/PERFORMANCE**

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

Particulars	Year Ended 31.03.2006 (Rs. in Lakhs)	Year Ended 31.3.2005 (Rs. in Lakhs)
Total Income	1134.07	1043.13
Increase/(Decrease)in Stock	(38.17)	(4.82)
Total Expenditure	1060.51	953.83
Operating Profit before interest, Depreciation & Tax	35.39	84.48
Interest	18.55	24.21
Cash Profit	16.84	60.27
Depreciation	12.32	13.32
Profit before Tax	4.52	46.95
Provision For Deferred Tax	1.04	0.02
Profit after Tax	3.48	46.93

### **DIVIDEND**

Your Directors have not recommended any dividend for the year 2005 - 2006 due to insufficient profits.

### **OPERATIONS**

During the year the Company's operations was quiet satisfactory. The Company had made Profit before depreciation of Rs. 1684347.65 as against Rs.6026624.41 during the financial year ended 31.03.2005. 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**

Mrs.MaryRodrigues, Director liable to retire by rotation being eligible offers herself for reappointment.

During the year Mr.U.Prabhakar Rao was appointed as Additional Director of the Company w.e.f.31.01.2006 and shall hold office only upto ensuing Annual General Meeting. Notices have been received Under Section 257 of the Companies Act, 1956 from a member of the Company for his appointment as Director of the Company.



## SSF Limited Chennai

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### AUDITORS

The Auditors of the Company M/s. Sudhindran & Co, Chartered Accountants, Chennai 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.11,23,450 /- the notes to the accounts in Point No – 4 is self explanatory.

### 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.

### OUT LOOK

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's 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



## SSF Limited Chennai

### **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 31.03.2006, 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 31.3.2006 and of the profit of the company for the financial year ended 31.3.2006.
- 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 31.03.2006 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:

#### **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.

#### **Power and Fuel consumption for the factory**

	Year ended 31.03.2006	Year ended 31.03.2005
<b>Electricity Consumed</b>		
No of Units(Kwh)	10,39,821	7,29,024
Total Amount(Rs.)	44,57,690	32,06,856
Average Cost per unit(Rs)	4.29	4.40
<b>Own Generation (thro' Diesel Generator)</b>		
No of Units (Kwh)	9292	7,309
Average Unit/litre of Diesel Oil(Kwh)	3.08	3.08
Total Fuel Cost of Generation(Rs.)	99,199	59,990
Average Cost/unit(Rs.)	10.67	8.20

#### **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.10,03,94,195 /- . The Company has not spent foreign exchange on foreign travel and import of consumables.



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### 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.

By Order of the Board

Sd/-

V.A.KURIEN

Chairman & Managing Director

Place : Chennai

Date : 05-09-2006

### 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.





## SSF Limited Chennai

### ANNEXURE 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 interests 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 believes that the corporate performance in the long run is co-related to Corporate Governance and that well governed companies mitigate 'Non –business risks' better. The company endeavours 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 6. The Board comprises of Non Executive Directors and a Whole time Director. The Board of Directors of the Company is as follows:

V.A.Kurien	-	Chairman & Executive Director
Sanjay Arjundas Wadhwa	-	Non Executive Director
M.A.A.Khaleeli	-	Non Executive Director
V.Padmanabham	-	Executive Director
Mary Rodrigues	-	Non Executive Director
U. Prabhakar Rao	-	Non Executive Director **

The attendance particulars 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 Companies	
				Directorships	Committee member
V.A.Kurien	PENI	5	Y	2	1
Sanjay Arjundas Wadhwa	INE	4	Y	1	2
M.A.A.Khaleeli	INE	3	Y	—	—
V.Padmanabham	EI	3	Y	—	—
Mary Rodrigues	NEI	3	Y	—	—
U. Prabhakar Rao	NEI	—	N	1	—

BM (A) – Board Meeting Attendance during the 2005 - 2006, Y-Yes, N-No, AGM (A) – Whether Attended Annual general meeting held on 30.09.2005, C - Chairman, E- Executive, NE- Non executive, I- Independent, NI- Non Independent.



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5 (Five) Board Meetings were held during the year 2005 – 2006 and the dates on which the Board meetings were held as follows: 29-04-05, 29-07-05, 31-08-05, 31-10-05 and 31-01-06.

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.

\*\* Mr. Prabhakar Rao was appointed as Director with effect from 31-01-2006.

### B. BOARD PROCEDURE

The Company has convened 5 (Five) Board Meetings during the Financial Year 2005-06. 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	Mary Rodrigues
Date of Birth	14-12-1959
Qualification	B.A., Certificate in Business Management-USA
Nature of Expertise	Wide Business Experience
Date of First Appointment	29.09.2004
Name of the other Companies in which he holds Directorship	NIL
Name of the Director	U. Prabhakar Rao
Date of Birth	04-08-1935
Qualification	B.A., (Honours)
Nature of Expertise	Wide Business Experience
Date of First Appointment	31-01-2006
Name of the other Companies in which he holds Directorship	SIP Industries Limited.