



SSF

SSF LIMITED

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39th **ANNUAL REPORT** **2006 - 2007**



SSF Limited Chennai

Board of Directors

Mr. V.A. KURIEN

Chairman & Wholetime Director

Mr.V. PADMANABHAM

Managing Director

DIRECTORS

Mr.M.A.A. KHALEELI

Mr. SANJAY A. WADHWA

Mrs. MARY RODRIGUES

Vice Chairman

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

M/s Knack Corporate Services Private Limited,

No-97, (Old.No.43) 1st Floor,

Veeraperumal Kovil Street,

Mylapore, Chennai 600 004.

Phone : 044 - 24986257, 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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NOTICE

Notice is hereby given that the 39th Annual General Meeting of the Company will be held on Friday the 28th day of September 2007 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 31st March 2007 and Profit and Loss Account for the year ended 31st March 2007 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 re-designation of Mr.V.A.Kurien as Chairman and Wholtime Director of the Company, who was appointed as Chairman & Managing Director of the Company at the Annual General meeting held on 29.09.2004 shall continue the office as Chairman and Wholtime Director of the Company for the remaining tenure of his service i.e upto 31.12.2008 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 the Board of Directors be and are hereby authorized to fix the break up of the remuneration payable to Mr. V.A.Kurien, Chairman & Wholtime 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 or 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(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 269, 198, 303, 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 the approval of shareholders at the Annual General Meeting, Shri.V.Padmanabham, who fulfills the conditions laid down in Schedule XIII of the Companies Act, 1956 be and is hereby appointed as Managing Director of the company for a period of Five years commencing from 25.07.2007 on the following terms and conditions :

Salary Rs.45000/- per month



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Perquisites

1. Reimbursement of medical insurance & expenses actually incurred for business purpose.
2. Free use of Company maintained car and driver for official purpose.
3. Payment / reimbursement of all travelling expenses incurred for business purpose.
4. Reimbursement of Club expenses.
5. All other terms or privileges or facilities shall be in accordance with the rules of the Company.

The above said remuneration has been approved by the remuneration committee constituted as per the requirements of law.

for & on behalf of the Board

Place : Chennai
Date : 30.08.2007

Sd/-
V.A.Kurien
Chairman

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/herself 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 27th September 2007 to 28th September 2007 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.
7. The relevant explanatory statement pursuant to section 173(2) of the Companies Act, 1956, relating to the special business to be transacted at the Annual general meeting (AGM) is annexed hereto.
8. Re-Appointment of Director – At the ensuing Annual general meeting, Mr.Sanjay Arjundas Wadhwa retire by rotation and being eligible offers himself for re-appointment.

Appointment of Managing Director and Re - designation of Chairman: At the ensuing Annual general meeting, Mr.V.A.Kurien, is proposed to be re-designated as Chairman and Wholtime Director of the Company and Mr. V.Padmanabham is proposed to be appointed as Managing Director of the Company

The details pertaining to these directors required to be provided pursuant to clause 49 of the listing agreement are furnished in the statement on corporate governance published elsewhere in this report.

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

ITEM NO 4 & 5:

It is proposed to re-designate Mr V.A.Kurien as Chairman & Whole time Director of the Company, who was appointed as Chairman & Managing Director of the Company at the Annual General Meeting held on 29/09/2004 and shall continue the office as Chairman & Whole Time Director of the Company for the remaining tenure of his service i.e. upto 31/12/2008 on such terms and conditions as set out in notice convening Annual General Meeting of the Company.

Further Mr. V.Padmanabham who was appointed as Wholetime Director of the Company is now proposed to be appointed as Managing Director of the Company keeping in view of his expertise in the sea food industry and contribution to the growth of the Company.

This requires approval of shareholders in General Meeting and hence your Directors recommend the proposed resolutions to be passed as an Ordinary Resolutions.

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

Mrs Mary Rodrigues being a relative is also deemed to be interested in this resolution.



for & on behalf of the Board

Sd/-

Place : Chennai
Date : 30.08.2007

V.A.Kurien
Chairman


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DIRECTORS REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

The Directors are pleased to present the 39th Annual Report and the Audited Accounts for the year ended 31.03.2007.

FINANCIAL HIGHLIGHTS/PERFORMANCE

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

Particulars	Year Ended 31.03.2007 (Rs. in Lakhs)	Year Ended 31.3.2006 (Rs. in Lakhs)
Total Income	1289.41	1134.07
Increase/(Decrease)in Stock	26.89	(38.17)
Total Expenditure	1235.07	1060.51
Operating Profit before interest, Depreciation & Tax	81.23	35.39
Interest	21.79	18.55
Cash Profit	59.44	16.84
Depreciation	11.49	12.32
Profit before Tax	47.95	4.52
Provision For Deferred & F.B tax	1.09	3.19
Profit after Tax	46.86	1.33

DIVIDEND

Your Directors have not recommended any dividend for the year 2006 - 2007 due to insufficient profits.

OPERATIONS

During the year the Company's operations was quiet satisfactory. The Company had made Profit before depreciation of Rs. 5,944,437.00 as against Rs 1,684,348.00 during the financial year ended 31.03.2007. During the year there was no cash loss 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 profits. Your Company is hopeful of better performance and reasonable profits for the current year.

Further the Company during the year had taken measures by way of modifying its existing facility at Vizag Plant to European Standards in order to capture the market of European countries. The total cost of renovation will be Rs.160 Lakhs for which the Company was able to avail Loan facilities to the tune of Rs. 110 Lakhs by way of Term loan from Indian Overseas Bank, Cathedral Branch, Chennai.

DIRECTORS

Mr.Sanjay Arjundas Wadhwa, Director liable to retire by rotation being eligible offers himself for reappointment.

Further Mr.V.A.Kurien had stepped down from the office of Managing Director and shall continue as Chairman and Wholetime Director of the Company w.e.f.25.07.2007 as per the terms and conditions as stated in the Notice of the meeting. Further the Company had designated Mrs.Mary Rodrigues, Director as Vice Chairman of the Company effective from 25.07.2007.



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Mr.V.Padmanbham, Wholetime Director has been appointed as Managing Director of the Company w.e.f.25.07.2007 as per the terms and conditions as stated in the Notice of the meeting.

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.

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



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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 31.03.2007, 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 31.3.2007 and of the profit or loss of the company for the financial year ended 31.3.2007.
- 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;

That the directors had prepared the annual accounts for the financial year ended 31.03.2007 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 31.03.2007	Year ended 31.03.2006
Electricity Consumed		
No of Units(Kwh)	691667	1039821
Total Amount(Rs.)	3549164	4457690
Average Cost per unit(Rs)	5.13	4.29
Own Generation (thro' Diesel Generator)		
No of Units (Kwh)	12730	9292
Average Unit/litre of Diesel Oil(Kwh)	3.08	3.08
Total Fuel Cost of Generation(Rs.)	147786	99199
Average Cost/unit(Rs.)	11.61	10.67

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.110,351,226/- The Company has spent foreign exchange on foreign travel Rs.51,130/- and not spent on 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 shareholders, 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

Place : Chennai
Date : 30.08.2007

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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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 Managing 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	-	Managing Director & 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	2
Sanjay Arjundas Wadhwa	INE	3	Y	1	2
M.A.A.Khaleeli	INE	3	Y	—	—
V.Padmanabham	EI	3	Y	—	—
Mary Rodrigues	NINE	5	Y	1	1
U. Prabhakar Rao	NEI	5	-	—	—

BM (A) – Board Meeting Attendance during the 2006 - 2007, Y-Yes, N-No, AGM (A) – Whether Attended Annual general meeting held on 30.09.2006, C - Chairman, E- Executive, NE- Non executive, I- Independent, NI- Non Independent.