

UNIROYAL

MARINE EXPORTS LTD.

Regd. Office : 11/19, Vengalam P.O., Kozhikode - 673 303, Kerala

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>		SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>



Fifth Annual Report 1996-1997



UNIROYAL

MARINE EXPORTS LTD.



BOARD OF DIRECTORS : Shri. K.C. Babu (Chairman and Managing Director)
 Shri. K.C. Thomas (Director)
 Shri. K.C. Rajan (Director)
 Shri. V.T. John (Director)
 Shri. Varghese Thomas (Director)
 Shri. P. Shrinivas (Director)
 Shri. Iype Mathew (Director)
 Shri. V. Mohanlal (Director)
 Shri. V.S. Ramanath (Director)
 Shri. K.R. Murali Mohan (IDBI Nominee Director)

BANKERS : 1) THE FEDERAL BANK LTD.
 Calicut - 673 011
 2) UCO BANK
 Calicut - 673 001

AUDITORS : Sudhir & Kuruvilla
 Chartered Accountants
 Cochin-16

REGISTERED OFFICE : 11/19, Vengalam P.O.
 Chemancherry Panchayat
 Kozhikode District, Kerala.

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NOTICE

Notice is hereby given that the fifth Annual General Meeting of the Company will be held at the Registered Office of the Company at 11/19, Vengalam P.O., Kozhikode District, Kerala-673 303 on Saturday the 27th day of September '97 at 2.30 PM to transact the following business.

Ordinary Business

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March 1997 and the Balance Sheet as at that date along with the Reports of the Board of Directors and Auditors thereon.
2. To elect a Director in the place of Shri. K.C. Rajan who retires by rotation and being eligible offers himself for the reappointment.
3. To elect a Director in the place of Shri. V.T. John who retires by rotation and being eligible offers himself for the reappointment.
4. To appoint Auditors and fix their remuneration. The present Auditors M/s Sudhir & Kuruvilla, Chartered Accountants, Cochin retire in this meeting and being eligible, offer themselves for reappointment.

Special Business

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

"RESOLVED THAT in supersession of the resolution limiting the Borrowing Power of the Board of Directors of the Company upto Rs. 7 crores (Rupees seven crores only) passed by the Company at the Extraordinary General Meeting held on 15th March 1993, the Board of Directors of the Company be and is hereby authorised under section 293 (i) (d) of the Companies Act, 1956 to borrow monies from time to time upto a limit not exceeding in aggregate Rs. 12/- crores (Rupees twelve crores only) notwithstanding that monies to be borrowed, together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

6. To re-appoint Shri. K.C. Babu as Managing Director of the Company for a period of 5 years and to consider and if thought fit to pass with or without modification the following as **Ordinary Resolution**.

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Shri. K.C. Babu as Managing Director for a period of 5 years with effect from 21-08-97 on a remuneration, perquisites and other benefits and amenities as set out in the explanatory statement with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment so as not to exceed the limits specified in Schedule XIII of the



Companies Act, 1956, including any statutory modifications or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made there to by the Central Government.

RESOLVED FURTHER THAT where in any financial year closing on and after 1st April 1997 the Company has no profits or its profits are inadequate the Company may pay Shri. K.C. Babu remuneration by way of salary and perquisites as specified above and shall be subject to an over all ceiling laid down in Sections 198 and 309 of the Companies Act, 1956.

RESOLVED FURTHER THAT in the event of any statutory amendment or modifications or relaxation by the Central Government to Schedule XIII of the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration including salary, perquisites, etc. within such prescribed limit of ceiling and the terms of appointment be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company in General Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

By order of the Board
for **UNIROYAL MARINE EXPORTS LTD.**

Kozhikode
28-06-97

K.C. BABU
Chairman & Managing Director

NOTES

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. The instrument appointing the proxy duly stamped and executed should be sent so as to reach the Regd. Office of the Company at Uniroyal Marine Exports Ltd., 11/19, Vengalam P.O., Calicut - 673 303, not less than 48 hours before the commencement of the Meeting in order to be valid.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 17-09-97 to 27-09-97 (both days inclusive).
3. Members are requested to notify immediately any change in their address to the Regd. Office of the Company.
4. Members/proxies must bring the original attendance slip sent herewith duly filled in and signed and hand it over at the entrance of the Meeting hall.



EXPLANATORY STATEMENT PURSUANT TO SEC: 173 (2) OF THE COMPANIES ACT, 1956

Item No. 05

At the extra ordinary General Meeting held on 15th March, 1993, the Board of Directors of the Company was authorised to borrow monies from time to time in excess of the aggregate of the paid up capital of the Company and its free reserves subject to the condition that the aggregate of amount so borrowed and outstanding at anytime (apart from temporary loans obtained from company's bankers in the ordinary course of business) shall not exceed Rs. 7 crores. This limit is not sufficient to meet the present working capital requirements of the company. The Board accordingly recommends that the said limit be increased to Rs. 12 crores so that the Board may be empowered to borrow monies as and when considered necessary by the company subject, however, to the limit specified therein. The Board recommends that the ordinary resolution be passed.

None of the Directors of the Company is concerned or interested in the proposed resolution.

Item No.06

The share holders at the Extraordinary General Meeting held on 15th September 1992 had approved the appointment of Shri. K.C. Babu as Managing Director of the Company for a period of 5 years from 21-08-92 to 20-08-97 with the approval of the Central Government vide letter No. 1/288/CLVIII/92 dated 23rd March 1993.

Considering the wide experience of Shri. K.C. Babu, who as the main promoter of the Company and in view of the increase in the volume of business and the complexities involved therein, has been reappointed as Managing Director of the Company by Board of Directors at their meeting held on 28th June, 1997.

The Remuneration and Perks as fixed for the Managing Director are within the regulations laid down in Schedule XIII of the Companies Act, 1956. The remuneration proposed is as under:

- a) Salary: Rs. 15,000/- (Rupees fifteen thousand only) per month.
- b) Perquisites: Rs. 6,000/- (Rupees six thousand only) per month.

Shri. K.C. Babu, Managing Director may be deemed to be concerned or interested in the resolution. Further Shri. K.C. Rajan and Shri. K.C. Thomas being relatives of Shri. K.C. Babu may be deemed to be concerned or interested in the resolution. None of other Directors of the Company are in any way concerned or interested in this resolution.

The Explanatory Statement together with accompanying notice is and should be treated as an abstract of the terms of service of Shri. K.C. Babu and memorandum of interest required to be sent to the share holders under section 302 of the Companies Act, 1956.

By order of the Board
for **UNIROYAL MARINE EXPORTS LTD.**

Kozhikode
28-06-97

K.C. BABU
Chairman & Managing Director



DIRECTORS' REPORT

Dear shareholders,

Your directors are happy to present you the 5th Annual Report together with the Audited Accounts for the year ended 31st March, 1997.

Financial Results

The financial results of the Company for the year 1996-97 is given below:

	(Rs. in lakhs)	
	1996-97	1995-96
Sales	1710.55	1512.91
Depreciation	60.39	59.37
Profit/(Loss)	(291.50)	(122.22)

During the year under review, your company exported 1895.98 tonnes of marine products worth Rs. 1710.55 lakhs mainly to Italy, France and other European countries. Our products have been well received and your company is now getting regular orders from renowned international buyers.

Current Year Operations and Future Prospects

The Sea Food Industry all over India faced a very difficult situation during the year with erratic availability of raw material, high procurement prices and a comparatively depressed international market. While your company was able to register a growth of 37% in export volume, revenue increased only by 13%. This was because increase in volume was primarily fish items and margins remained poor on all products. Your company has lost around Rs. 291.5 lakhs during the year inspite of effort taken to control expenses in all spheres.

While the future for the Sea Food Industry does not appear to be very bright due to the delayed setting in of the monsoon and adverse conditions prevailing in the international market, with a large number of smaller exporters dropping out due to the stringent quality standards on production facilities laid down by the western countries, the better planned factories like yours should recover and be able to wipe off atleast part of the earlier losses in the year ahead.



Statement under Clause 43 of the Listing Agreement

Projection Vs. Performance for the year 1996-97

	(Rs. in lakhs)	
	Projection	Actuals
Turn over	4457.70	1710.55
Gross Profit/(Loss)	501.76	(231.11)
Net Profit/(Loss)	408.89	(291.50)

Reasons for variations:

- (i) Shortage of required raw materials.
- (ii) Restriction imposed by FDA on imports into the United States and consequent delay in realisation.
- (iii) Severe restrictions on usage of power by Kerala State Electricity Board.

Energy Conservation Measures

The project has been conceived and implemented with measures for energy conservation and effluent disposal in mind. A most modern effluent treatment plant has been installed and suitable provision has been made for conservation of energy.

The following table will show the energy consumption during the year 1996-97 as compared to that of 1995-96.

	Unit	Energy Consumption during	
		1996-97	1995-96
(A) Power and fuel Consumption			
1. Electricity			
i) Purchased units	KWH	12,63,552.00	16,69,290.00
ii) Total amount	Rs.	11,10,911.00	11,26,266.00
iii) Rate per unit	Rs.	0.88	0.67
2. Own Generation through Diesel Generator			
i) Unit	Ltrs	2,24,400.00	38,000.00
ii) Unit per Lr. of diesel oil	KWH	2.61	2.97
iii) Cost per unit	Rs.	3.07	2.69
(B) Consumption per Unit of Production			
a) Electricity	KWH	0.91	1.14
b) Diesel	Ltrs	3.06	0.03



Foreign Exchange Earnings and Outgo

- | | |
|----------------------------------------------|-------------------|
| i) Foreign Exchange earned during the year - | Rs. 1515.32 lakhs |
| ii) Foreign Exchange outgo - | Nil |

Employee Relations

The employee relations in the Company through out the period continued to be cordial.

Particulars of Employees

There were no employee drawing a monthly salary of Rs.25,000/- or more and therefore, no information is required to be furnished as per Sec. 217 (2A) of the Companies Act, 1956.

Directors

In terms of Article 95 of the Articles of Association, Shri. K.C. Rajan and Shri. V.T. John retire by rotation at this meeting. They are eligible for re-appointment.

Auditors

M/s Sudhir & Kuruvilla, Chartered Accountants, Cochin were appointed as Auditors of the company till the conclusion of this Annual General Meeting. They are eligible for re-appointment.

Acknowledgement

Your Directors place on record their deep appreciation of the continued co-operation and support from IDBI, The Federal Bank Ltd., UCO Bank, Government Authorities, especially Central Excise Dept., MPEDA, EIA, CEPZ and other statutory authorities, customers, suppliers and share holders. The Directors also acknowledge the valuable contribution made by employees at all levels towards the progress of the Company.

Report



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For and on behalf of the Board of Directors

Kozhikode
28-06-97

K.C. BABU
Chairman and Managing Director