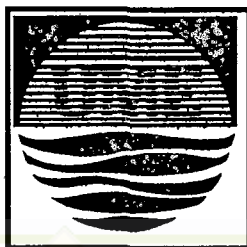


UNIROYAL MARINE EXPORTS Ltd.

MD	✓		BKC	✓
CS	N/A		DPY	N/A
RO	✓		DIV	N/A
TRA	N/A		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓



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Sixth Annual Report 1997-98

Regd. Office:
11/19, VENGALAM P.O.,
KOZHIKODE - 673 303, KERALA.





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 Sixth Annual General Meeting of the share holders of UNIROYAL MARINE EXPORTS LTD., will be held at the Registered Office of the Company at 11/19, Vengalam P.O., Kozhikode District, Kerala - 673 303 on Saturday the 26th day of September 1998 at 2.30 P.M. to transact the following Business.

Ordinary Business

1. To receive, consider and adopt the Profit and Loss account for the year ended 31st March 1998 and the Balance Sheet as at that date along with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Sri. K.C. Thomas who retires by rotation and being eligible offers himself for the re-appointment.
3. To appoint a Director in the place of Sri. Varghese Thomas who retires by rotation and being eligible offers himself for the re-appointment.
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 re-appointment.

By Order of the Board
for UNIROYAL MARINE EXPORTS LTD.,

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K.C. BABU
CHAIRMAN & MANAGING DIRECTOR

Kozhikode,

27-06-98.

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 Registered 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 Share Transfer Books of the Company will remain closed from 16-09-98 to 24-09-98 (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, signed and hand it over at the entrance of the Meeting hall.



DIRECTORS' REPORT

Dear Shareholders,

Your Directors are happy to present you the 6th Annual Report together with the Audited Accounts for the year ended 31st March, 1998.

Financial Results

The financial results of the Company for the year 1997-98 is given below:

	(Rs. in lakhs)	
	1997-98	1996-97
Sales	1364.94	1710.55
Depreciation	61.34	60.39
Profit / (Loss)	(98.85)	(291.50)

During the year under review, your company exported 1168.34 tonnes of marine products worth Rs. 1364.94 lakhs mainly to China, Australia, Malaysia, South Africa, USA and other European countries. Your Company continues to enjoy reputation for its products in the international market and is now getting regular orders from renowned international buyers.

Current Year Operations and Future Prospects

The year that we have left behind has been a difficult one. As you are aware the seafood industry in our country continues to face several problems such as severe competition for the available raw-materials leading to high procurement prices and comparatively depressed international market. The industry received a severe set back in exports with the ban imposed by the European Union on import of seafood from India from 1st August, 1997. The cumulative impact of these factors resulted in stagnation in the seafood industry in our country.

The immediate result of the ban was that all the marine product Companies looked for a market in countries other than those in the European Union resulting in a price war and consequent depression in the selling price and hence a further erosion in margins.

The performance of your company was also adversely affected due to the ban, which came into effect immediately after the 45 day trawling ban was lifted, as we have a large customer base in Europe. The turnover of the Company decreased from Rs. 1710.55 to Rs. 1364.94 lakhs mainly due to this ban and due to the fact that production activities came to a virtual standstill during the period that the factory was being upgraded to European Union standards. Nevertheless during the ban period your company made limited shipments to other countries such as China, Australia, South Africa and Malaysia and was able to restrict the losses to a lower figure by concentrating on the production of value added items. It will be seen that our loss during the year stood at Rs. 98.85 lakhs against 291.50 lakhs during 1996/97.



To upgrade your factory to the standards required for approval for export to the European Union, considerable amount of work was carried out and additional amenities provided during the last quarter of the financial year. Your factory was presented to the assessment teams (The Inter Departmental Panel - IDP and the Supervisory Audit Team - SAT) and their approval obtained during the month of March 98. Your factory was the 22nd factory out of over 650 such factories all India to be approved by the Audit team. Exports to Europe could commence only during April 98 after the European Union Secretariat ratified SAT's recommendation.

In spite of constraints faced, your company looks forward to a better performance in the current year mainly because we are one of the few companies approved for export to the European Union and also enjoy the Green Channel Status for exporting cooked product into the US.

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 1997-98 as compared to that of 1996-97.

A. Power and fuel Consumption		Unit	Energy Consumption during	
			1997 - 98	1996 - 97
1. Electricity				
i) Purchased units	KWH	8,14,636.00		12,63,552.00
ii) Total amount	Rs.	7,90,161.00		11,10,911.00
iii) Rate per unit	Rs.	0.97		0.88
2. Own Generation through Diesel Generator				
i) Unit	KWH	1,19,600.00		2,24,400.00
ii) Unit per Lr. of diesel oil	KWH	2.72		2.61
iii) Cost per unit	Rs.	4.20		3.07
B. Consumption per Unit of Production				
a) Electricity	KWH	0.60		0.91
b) Diesel	LTRS.	0.09		3.06

Foreign Exchange Earnings and Outgo

- i) Foreign Exchange earned during the year - Rs. 1246.64 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 employees 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. Thomas and Shri. Varghese Thomas 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, 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.

For and on behalf of the Board of Directors

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K.C. BABU

Chairman and Managing Director

Calicut,
27-06-'98.



AUDITORS' REPORT

The Shareholders of
M/s Uniroyal Marine Exports Limited
Vengalam P.O.
Kozhikode

We have audited the attached Balance Sheet of M/s Uniroyal Marine Exports Limited, Vengalam P.O., Kozhikode, as at 31st March, 1998 and the Profit and Loss Account of the Company for the year ended 31st March, 1998 and report that:

- A. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we annex here to a statement on the matters specified in paragraph 4 and 5 of the said order.
- B. Further to our comments in the Annexure referred to in paragraph A above.
- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books.
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts and returns and give the information required by the Companies Act, 1956 in the manner so required.
 - d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 1998 and;
 - ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date.

for SUDHIR & KURUVILLA
Chartered Accountants

K.C. KURUVILLA, FCA
Partner

Cochin-16
27-06-'98.