



Uniroyal Marine Exports Ltd.

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9th ANNUAL REPORT 2000-2001

11/19, Vengalam P.O., Chemencherry Panchayat, 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. V. S. Ramnath	(Director)
Shri. V. Mohanlal	(Director)
Shri. Iype Mathew	(Director)

AUDIT COMMITTEE

Shri. Iype Mathew
Shri. K. C. Babu
Shri. V. S. Ramnath

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.
Cherancherry Panchayat
Kozhikode District, Kerala.

STATUTORY DISCLOSURE

The Company's equity shares are listed on:

1. Cochin Stock Exchange Ltd.
2. The Delhi Stock Exchange Association Ltd.
3. The Stock Exchange, Mumbai
4. The Stock Exchange, Ahmedabad

Listing fee for the year 2001-2002 have been paid to all the Stock Exchanges listed above.

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NOTICE

Notice is hereby given that the Nineth 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 13th day of October, 2001 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, 2001 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. Rajan who retires by rotation and being eligible offers himself for the reappointment.
3. To appoint a Director in the place of Sri. 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.

By order of the Board
for UNIROYAL MARINE EXPORTS Ltd.,

Sd/-

K.C. BABU

Chairman & Managing Director

Kozhikode,
18 / 08 / 2001.

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 11-10-2001 to 13-10-2001 (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 share holders,

Your Directors place before you the 9th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2001.

The Financial Results of the Company for the year 2000-2001 is given below.

	Rs. in lakh	
	2000-2001	1999-2000
Sales	2110.44	2737.56
Depreciation	68.06	65.01
Profit/(Loss)	(89.37)	(543.20)

During the year under review, your company exported marine products worth Rs. 2099.89 lakh mainly to European countries, USA, Taiwan and Korea and has also been able to effect local sales of Rs. 10.55 lakh. It has been possible to bring down the losses from 543.20 lakh to 89.37 lakh with a cash loss of just 14.58 lakh.

Current year operations and future prospects

The seafood industry in our country, especially the value added sector went through a difficult period during the year under review also. Shortage of raw-material and comparatively depressed international market continues to effect the performance of the seafood industry.

According to the report of the Seafood Exporter's Association of India, Kerala Region, the export of seafood from Kerala during 2000-2001 shows a decline of 3.61% in quantity terms and 10.01% in value terms comparing to the same period of the last year. Your company's export fell to Rs. 2099.89 lakh against Rs. 2731.58 lakh during the preceeding financial year. The net loss was around Rs. 89.37 lakh before taking into account penal interest and liquidated damages of Rs. 130.32 lakh payable to IDBI. The main reason for the loss was the comparatively higher prices paid for raw-material purchased on credit and the depressed prices in the international market due to continued recession in most of the importing countries.

IDBI had filed a case before the Debt Recovery Tribunal, Cochin for recovering debts due to them in February 2000. However as the net worth of the Company had been eroded, the Company had been referred to the Board for Industrial and Financial Reconstruction under section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 in August 2000. The BIFR has accepted our reference and passed orders declaring the company as a Sick Unit on 12th June 2001. The DRT case has, therefore, been suspended temporarily.

A rehabilitation proposal is being prepared in accordance with the directions of the BIFR. We are sure that with the positive contribution from the promoters, share holders, employees and with concessions from the financial institutions, your company can be revived and turned around.

In order to assist in the rehabilitation of economically ailing units in the seafood industry, the Central Govt. proposes to create a Reconstruction Fund for the industry. The Central Govt. intends



to implement the scheme through the Marine Products Export Development Authority, Ministry of Commerce, Govt. of India. If the scheme is implemented, companies like ours would be able to meet our urgent financial commitments and be able to broad base our financial structure and thereby improve performance in future.

With a view to cut costs and to streamline operations, a reorganisation of the top level management has been carried out by the Managing Director. The functions of the Purchase Manager and the Marketing Manager have been entrusted to the new General Manager.

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 2000-2001 as compared to that of 1999-2000.

(A) Power and fuel consumption	Unit	Energy Consumption during	
		2000-2001	1999-2000
1. Electricity			
i) Purchased units	KWH	171495.00	1862425.00
ii) Total amount	Rs.	5254930.00	5149312.00
iii) Rate per unit	Rs.	3.06	2.76
2. Own Generation through Diesel Generator			
i) Unit	KWH	57400.00	84736.00
ii) Unit per Lr. of diesel oil	KWH	2.71	2.71
iii) Cost per unit	Rs.	5.58	4.73
B. Consumption per Unit of Production			
a) Electricity	KWH	0.94	0.84
b) Diesel	Ltrs.	0.03	0.04

Foreign exchange earnings and outgo

i) Foreign Exchange earned during the year -	Rs. 1923.95 lakh
ii) Foreign Exchange outgo -	Rs. 37.80 lakh

Employee Relations

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



Particulars of employees

There were no employees drawing a monthly salary of Rs. 1,00,000/- 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 reappointment.

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 reappointment.

Reference to BIFR

The BIFR has accepted the reference of the company under section 15 of the Sick Industrial Companies (Special Provisions) Act, 1985 and has passed the orders declaring the company as a sick company.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby report:

- (i) that in the preparation of the Annual Accounts, the applicable Accounting Standards have 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 judgments 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 at 31st March, 2001 and of the profit and loss Account for the period ended 31st March, 2001.
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) that the directors have prepared the Annual Accounts on a going concern basis.

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.

For and on behalf of the Board of Directors

Kozhikode,
30/07/2001

Sd/-
K.C. BABU
Chairman & Managing Director



AUDITOR'S 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, 2001 and the Profit and Loss Account of the Company for the year ended on that date, annexed thereto, and report that :

1. We have obtained all the information and explanations which to the best of our knowledge and belief are necessary for the purpose of our audit.
2. 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 those books.
3. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts and return and give the information required by the Companies Act, 1956 in the manner so required.
4. In our opinion, the Balance Sheet and Profit and Loss Account comply with the mandatory accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
5. On the basis of representations received from the directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2001 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
6. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, We further report that:
 - i) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. As per the information and explanations given to us, the fixed assets have been physically verified by the Management periodically and no material discrepancies are stated to have been noticed on verification. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the company and nature of its business.
 - ii) None of the Fixed Assets of the Company have been revalued during the year.
 - iii) The stocks of finished goods, stores, spare parts and raw materials have been physically verified by the management during the period. In our opinion, the frequency of verification is reasonable.