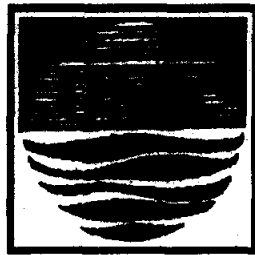


10th ANNUAL REPORT 2001-2002



Uniroyal Marine Exports Ltd.

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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. Thomas
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.
Chemancherry 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 2002-2003 have been paid to all the Stock Exchanges listed above

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NOTICE

Notice is hereby given that the Tenth 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 28th day of September, 2002 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, 2002 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 reappointment.
3. To appoint a Director in the place of Sri. Varghese Thomas 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 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 reenactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the reappointment of Sri. K.C. Babu as the Managing Director for a period of 5 years with effect from 21-08-2002 on a remuneration, perquisites and other benefits and amenities as set out in the explanatory statement.

Resolved further that where in any financial year closing on and after 1st April, 2002 the company has no profits or its profits are inadequate, the company may pay Sri.K.C.Babu the salary and perquisites as specified above as the minimum remuneration.

Resolved further that Mr. Iype Mathew 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,
27.07.2002.

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

NOTES

1. A member entitled to attend and to 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 26/09/2002 to 28/09/2002 (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.

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

ITEM NO. 5

The share holders at the General Meeting held on 27th September, 1997 had approved the reappointment of Sri. K.C. Babu as the Managing Director of the company for a period of 5 years from 21/08/1997 to 20/08/2002.

Considering, the wide experience of Sri. 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 again reappointed as the Managing Director of the company by the Board of Directors at their meeting held on 27th July, 2002.

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.

Sri K.C. Babu, Managing Director may be deemed to be concerned or interested in the resolution. Further Sri. K.C. Thomas and Shri. K.C. Rajan being relatives of Sri. 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 Sri. K.C. Babu and memorandum of interest required to be sent the share holders under section 302 of the Companies Act, 1956.

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

Kozhikode,
27.07.2002.

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

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DIRECTORS' REPORT

Dear Share holders,

Your Directors place before you the 10th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2002.

The Financial Results of the Company for the year 2001-2002 is given below.

	Rs. in lakh	
	2001-2002	2000-2001
Sales	2347.09	2110.44
Depreciation	66.78	68.06
Profit/ (Loss)	(60.86)	(89.37)

During the year under review, your company exported marine products worth Rs. 2256.85 lakh mainly to European countries, USA, and Japan. The company also effected local sales of Rs. 18,000 and earned Rs. 90.06 lakh from the sale of licence. It has been possible to bring down the losses from 89.37 lakh to 60.86 lakh before providing for the interest due to IDBI. The company earned a cash profit of Rs. 24.86 lakh.

Current year operations and future prospects.

Operations of the company during the year under review were adversely affected due to the general recession in the world economy and also due to the poor availability of raw materials. The prices of marine products continued to be depressed in the International market.

From the figures available with the Marine Products Exports Development Authority, the total quantity of marine products exports during 2001-2002 declined to 424470 tonnes from 440473 tonnes during the previous year, showing a decline of 3.63%. It has also been observed that there had been a decline of 7.56% in the prices of marine products during 2001-2002. Nevertheless, the performance of your company shows an improvement in quantity terms from 1642.30 tonnes to 1835.68 tonnes and in value terms from Rs. 2110.44 lakh to Rs.2347.09 lakh. Every effort has been made to control costs in all spheres of activity during the year under review.

As we reported in our last Report, the Board for Industrial and Financial Reconstruction passed orders declaring the company as a sick unit on 12th June, 2001 and issued guidelines for the reconstruction of our company. IDBI was appointed as the Operating Agency to prepare a Rehabilitation Scheme for the company.

As per the guidelines of the BIFR, the company had to deposit Rs. 50 lakh in an interest bearing No-lien Account with IDBI. Since the company was facing financial difficulty, the promoters arranged for an associate to deposit the required amount with IDBI within the stipulated period.

Meanwhile the case filed by IDBI before the Debt Recovery Tribunal (DRT), Cochin for recovering debts due to them had been suspended temporarily on the declaration of our company as a sick unit by BIFR on 12th June, 2001.

On the basis of the discussions held with IDBI officials on various occasions, proposals were submitted for the settlement of our dues to IDBI. After a series of discussions, we are glad to report that IDBI has offered for a settlement at the principal amount outstanding and their legal expenses totalling Rs. 354.58 lakh, waiving the interest dues. We expect to reach at a final settlement with IDBI on receipt of their concurrence on the repayment schedule. The task before the management is to raise required funds to effect repayment



of this amount to IDBI within the stipulated time of nine months.

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 2001-2002 as compared to that of 2000-2001.

(A). Power and fuel consumption	Unit	Energy Consumption during	
		2001-2002	2000-2001
1. Electricity			
i) Purchased units	KWH	1999611.00	1714995.00
ii) Total Amount	Rs.	7085438.00	5254930.00
iii) Rate per unit	Rs.	3.54	3.06
2. Own Generation through Diesel Generator.			
i) Unit	KWH	69660.00	57400.00
ii) Unit per Lr. of Diesel Oil	KWH	2.88	2.71
iii) Cost per Unit	Rs.	6.46	5.58
(B) Consumption per Unit of Production			
a) Electricity	KWH	1.09	0.94
b) Diesel	LTRS.	.04	.03

FOREIGN EXCHANGE EARNINGS AND OUTGO

- i). Foreign Exchange earned during the year - Rs. 2088.18 Lakh
- ii). Foreign Exchange outgo - Rs. 8.22 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, Sri. K.C. Thomas and Sri. Varghese Thomas 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:

- (1) 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 2002 and of the profit and loss Account for the period ended 31st March, 2002.
- (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.

ACKNOWLEDGMENT

Your Directors place on record their deep appreciation of the continued co-operation and support from IDBI, The Federal Bank, 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,
27.07.02

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

ADDENDUM

Qualification in Auditors' Report

The Auditors have stated in their report for the year ended 31st March, 2002, that the company has not provided accrued interest of Rs. 63,83,933/- payable to IDBI in the Books of Accounts.

During the financial year 2001-2002, negotiations were held with IDBI on various dates for the settlement of debts due to them. As on 31st March, 2002 we expected waiver of interest on loan amount due to IDBI in connection with One Time Settlement with them, no interest has been provided in the Books of Accounts. Hence the losses of the company have been understated to the extent of Rs. 63,83,933/-

IDBI has offered for a settlement at the principal amount outstanding and their legal expenses totalling Rs. 354.58 lakh, waiving the interest dues. We expect to reach at a final settlement with IDBI on receipt of their concurrence on the repayment schedule.

For and on behalf of the Board of Directors

Kozhikode,
27.07.02

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

**SUDHIR & KURUVILLA**

Chartered Accountants

**Auditors' Report to the Members of
Uniroyal Marine Exports Ltd.**

We have audited the attached Balance sheet of Uniroyal Marine Exports Limited as at March 31, 2002, and the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the annexure referred to:

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books of account.
- (c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet and Profit and Loss Account comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.
- (e) On the basis of written representations received from the Directors of the Company as at March 31, 2002 and taken on record by the Board of Directors, we report that no Director is disqualified from being appointed as director of the Company under clause (g) of sub-section (1) of Section 274 of the companies Act, 1956.
- (f) As explained in Note (I) A of Schedule 15 on Significant Accounting Policies the Company has not made provision for accrued interest of Rs. 63,83,933/- for the year on IDBI Term Loan.
- (g) Subject to the above, in our opinion, and to the best of our information and according to the explanations given to us, the said accounts prepared on a going concern basis together with the notes and statement on significant accounting policies, give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2002 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

Sd/-
K.C. KURUVILLA, FCA
Proprietor

Place: Kozhikode
Date: 27.07.02