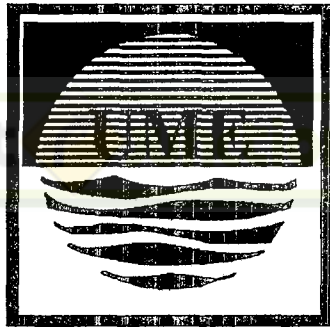


# Uniroyal Marine Exports Ltd.



---

## ANNUAL REPORT 2007-08



## **UNIROYAL MARINE EXPORTS LTD.**

**CHAIRMAN**

IYPE MATHEW

**MANAGING DIRECTOR**

ANUSH K THOMAS

**DIRECTORS**

K.C. BABU  
K.C. THOMAS  
V. MOHANLAL  
VARGHESE THOMAS  
V.T. JOHN  
NATH RAM  
P. SHRINIVAS

**CHIEF EXECUTIVE**

THOMAS P KOSHY

**COMPANY SECRETARY**

V. BALACHANDRAN

**AUDITORS**

SUDHIR & KURUVILLA,  
Chartered Accountants  
Kochi - 682018

**BANKERS**

1. THE FEDERAL BANK LTD  
Nadakkavu West  
Kozhikode - 673 011

2. UCO Bank  
Kozhikode - 673 001

**REGISTERED OFFICE**

11/19, Vengalam P.O  
Chemancherry Panchayat  
Kozhikode Dist.  
Kerala - 673303  
INDIA.  
Ph - 0496 - 2633781, 2633782

**REGISTRARS & SHARE TRANSFER AGENTS**

S K D C Consultants Limited  
No.7, (Old No.11), Street No.1  
S N Layout,  
West Power House Road  
Coimbatore - 641 012  
NSDL & CDSL - INE602H01010

ISIN



## NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the members of UNIROYAL MARINE EXPORTS LTD. will be held at the Registered Office of the Company at 11/19, Vengalam P.O., Kozhikode District, Kerala - 673303 on Saturday the 27th September, 2008 at 2.30 p.m. to transact the following business

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2008 and the Balance Sheet as at that date along with the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri. Iype Mathew who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri. Nath Ram who retires by rotation and, being eligible, offers himself for re-appointment.
4. To re-appoint M/s Sudhir & Kuruvilla, Chartered Accountants, Kochi, as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

By Order of the Board  
For UNIROYAL MARINE EXPORTS Ltd.

Kozhikode,  
26<sup>th</sup> July, 2008

V. BALACHANDRAN  
Company Secretary.

**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. IN ORDER TO BE VALID, 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.)KOZHIKODE - 673303, NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED COMMENCEMENT OF THE MEETING.**
2. The Register of Members and Share Transfer Register of the Company will remain closed from 25<sup>th</sup> September 2008 to 27<sup>th</sup> September, 2008(both days inclusive)
3. Members are requested to notify their change of address, if any, quoting their folio number to the Regd. Office of the Company/our Registrars and Share Transfer Agents, M/s. SKDC Consultants Ltd, No.7 (Old No.11), Street No.1, S.N.Layout, West power House Road, Coimbatore 641 012. Similarly members holding shares in Demat form shall intimate the change of address, if any, to their respective Depository Participants (DP)
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.
5. In terms of Clause 49 of the listing agreement with the Stock Exchange, a brief resume of Directors who are proposed to be re-appointed at this meeting is given below:
6. **SHARE HOLDERS ARE REQUESTED TO DEMAT THE SHARES AS EARLY AS POSSIBLE TO ACTIVATE THE TRADING.**

**Shri. Iype Mathew**

|  |              |
|--|--------------|
| Date of birth  | - 24/02/1952 |
| Date of appointment  | - 21/08/1992 |
| List of other Directorship held  | - Nil        |
| Chairman / Member of the Committees of the Board   | - Nil        |
| Chairman / Member of the Committees of Directors of other Companies in which he is member. | - Nil        |

Shri. Iype Mathew is a Chartered Accountant in Practice for nearly 30 years. His experience in taxation and corporate matters are of immense help to the company.

**Shri. Nath Ram**

|  |              |
|--|--------------|
| Date of birth  | - 20/05/1952 |
| Date of appointment  | - 11/12/1992 |
| List of other Directorship held  | - Nil        |
| Chairman / Member of the Committees of the Board   | - Nil        |
| Chairman / Member of the Committees of Directors of other Companies in which he is member. | - Nil        |

Shri. Nath Ram, B.Com, is a businessman. He is the agent of India for a number of buyers of Marine Products like M/s Hoko Fishing Co., Japan, M/s Gelazur, France, M/s Compeça S.A, Spain, M/s Pesclaudio S P A , Italy and M/s Farport International I N C, USA. He is a dynamic business entrepreneur.

By Order of the Board  
For UNIROYAL MARINE EXPORTS Ltd.

Kozhikode  
26<sup>th</sup> July.2008

V. BALACHANDRAN  
Company Secretary.

**DIRECTORS' REPORT**

Dear Member,

Your Directors are pleased to present the 16th Annual Report on the business and operations of the company together with the Audited Accounts for the year ended 31st March, 2008.

**Financial Results**

|                   | Rs. in lakhs |           |
|-------------------|--------------|-----------|
|                   | 2007-2008    | 2006-2007 |
| Sales             | 2432.10      | 2912.18   |
| Profit before tax | 14.47        | (7.18)    |
| Profit after tax  | 11.33        | (8.05)    |

On account of accumulated loss, your Directors have not recommended any dividend.

**Operation Analysis**

The financial results of the company during the year under review was reasonably satisfactory despite fall in Rupee Dollar Exchange Rate. The company could achieve a turnover of Rs. 2432.10 lakh inspite of raw material crunch, devaluation of Dollar and anti-dumping duty imposed by the US Development of Commerce at 109% and rise in fuel prices.

The company continues to implement the Hazard Analysis and Critical Control Points (HACCP) system in the factory and complies with the guidelines issued by the European Union as well as the US in this regard.



## **ENERGY CONSERVATION MEASURES**

Information on the conservation of energy which are required to be disclosed under section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988 are given below.

|  | Unit  | Energy Consumption during |             |
|--|-------|---------------------------|-------------|
|  |       | 2007-2008                 | 2006-2007   |
| (A) Power and Consumption                  |       |                           |             |
| 1. Electricity                             |       |                           |             |
| i) Purchased Units                         | KWH   | 2219238.00                | 2423232.00  |
| ii) Total Amount                           | Rs.   | 10380470.00               | 10662220.00 |
| iii) Rate per unit                         | Rs.   | 4.67                      | 4.40        |
| 2. Own Generation through Diesel Generator |       |                           |             |
| i) Unit                                    | KWH   | 129040.00                 | 121648.00   |
| ii) Unit per Ltr. of Diesel Oil            | KWH   | 2.53                      | 4.00        |
| iii) Cost per Unit                         | Rs.   | 13.45                     | 8.87        |
| (B) Consumption per Unit of Production     |       |                           |             |
| a) Electricity                             | KWH   | 1.46                      | 1.53        |
| b) Diesel                                  | Ltrs. | 0.40                      | 0.38        |

## **FOREIGN EXCHANGE EARNINGS AND OUTGO**

i) Foreign Exchange earned during the year (On FOB basis) - Rs. 21,55,35,162

ii) Foreign Exchange Outgo - Rs. 8,61,978

## **PARTICULARS OF EMPLOYEES**

There were no employees drawing salary exceeding Rs. 2.00 lakh per month or Rs. 24.00 lakh per annum and therefore, no information is required to be furnished as per Sec. 217(2A) of the Companies Act, 1956.

## **DIRECTORS**

Your directors place on record their sincere appreciation of the constructive contribution made by Shri. Anush K Thomas as Managing Director of the Company.

In terms of Article 95 of the Articles of Association, Shri. Iype Mathew and Shri. Nath Ram will be retiring at the end of the ensuing Annual General Meeting. They are eligible and offer themselves for re-appointment.

## **AUDITORS**

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



## **DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.**

Your Directors confirm:

- (1) that in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
- (2) 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 31<sup>st</sup> March, 2008 and of the profit for the year ended 31<sup>st</sup> March, 2008.
- (3) 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.
- (4) that the directors had prepared the Annual Accounts on a going concern basis.

## **Report on Corporate Governance**

Pursuant to Clause 49 of the Listing Agreement (a) Management Discussion and Analysis (b) The Report on Corporate Governance of your Directors in the Company (c) Auditors' certificate on compliance of the Corporate Governance are given as Annexure to the Directors' Report.

## **ACKNOWLEDGEMENT**

Your Directors wish to place on record their sincere gratitude especially to The Federal Bank Ltd, UCO Bank, Government Authorities, Central Excise Dept., MPEDA, EIA and other statutory authorities, customers, suppliers and share holders. The Directors also acknowledge the contribution made by employees at all levels.

For and on behalf of the Board of Directors

Kozhikode,  
26<sup>th</sup> July, 2008

Iype Mathew  
Chairman



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Industry structure and development**

Our company was incorporated in August 1992 for setting up a modern seafood factory for the processing and export of value added marine products to USA, the European Union and the Far East.

Over the last decade the organized corporate sector has become increasingly involved in preservation, processing and export of coastal fish. With the liberalized policy, fish processing sector has been attracting more foreign investment. Various imponderables existed in the industry in succession over the last 9-10 years, the latest being the anti-dumping action by the U S and fall in Rupee Dollar Exchange rate.

Countries to which a major portion of seafood is destined are becoming increasingly discerning and quality conscious. There is an all round realization at every level that quality production of international standards is the watchdog for survival now. Uniroyal Marine Exports Ltd was conscious about maintenance of quality from the very inception of the company and has fully geared to maintain quality right from the selection of the raw material to that of the ingredients. We had also already taken steps to upgrade the hygienic and sanitary conditions of the workers, plant and machinery so as to ensure quality of the finished product.

### **Opportunities**

1. Our Company has adopted IQF (Individually Quick Frozen) technology, ensuring higher value addition in its production.
2. Proximity to main fish landing centers namely Beypore and Puthiyappa in North Kerala.
3. Our Company enjoys the Green Channel Status for export of cooked product to USA and also approval for export of IQF and Block fishery products to the European Union.
4. The cost control measures introduced by the management are being continued.

### **Risks/Threats**

1. The Company is largely dependent on natural sea caught material. Availability of raw material would depend upon the seasons.
2. Selling prices are governed by international market.
3. Export realization is affected by fall in Rupee Dollar Exchange Rate.



**Internal Control System**

Company has been maintaining adequate internal control systems commensurate with the size and volume of the business with respect to the purchase of stocks, raw materials, (including components), plant and machinery, other assets and sale of goods. It also ensures that all the assets of the company are adequately protected against loss and all the transactions are properly authorized, recorded and reported. The Internal Control System is supplemented by Internal Audit conducted by a Chartered Accountant.

**Financial Performance**

While the sale for the current period has been less in comparison with previous year, we earned a profit of Rs 11.33 lakh after tax and prior period adjustments.

The financial result of the company during the year under review was satisfactory despite shortage of raw materials.

As the company is engaged in manufacture of marine products only, segment wise analysis is not significant.

**Industrial relation and human resource management**

Your Management firmly believes that success of any organization comes from good Human resources. Employees are considered as important and valuable assets of the organization and key to its success. Total number of employees directly employed by the company was 115.

**Cautionary Statement**

Statement given in this section describing the company's objectives, projection, estimates, and expectations may be "forward looking statements" based on the present environment, rules and regulations. The actual result could differ materially from those expressed or implied. The important factors that could make a difference among others are economic situation affecting demand and supply, price fluctuation both in domestic and international markets in which the company operates, changes in Govt. regulations, consumer taste, tax laws and other statutes and other incidental factors. The company assumes no responsibility to publicly amend, modify or revise any of the forward-looking statements on the basis of any subsequent developments or events.



## **REPORT ON CORPORATE GOVERNANCE**

### **I. Philosophy:**

The importance of Corporate Governance has always been recognised by your Directors. Your Directors believe in accountability and had set up the Audit, Remuneration and shareholder's Grievances Committees and every effort has been made to ensure transparency and professionalism in Governance.

### **II. Board of Directors:**

The Board consists of 9 Directors, Shri. Iype Mathew is a Non-executive Chairman and Shri. Anush K Thomas is the Managing Director of the Company. All the other Directors are non-executive Directors.

#### **Composition of the Board**

##### **Name of Directors**

##### **Category**

|                    |                           |
|--------------------|---------------------------|
| 1. Iype Mathew     | Non- executive Chairman   |
| 2. Anush K Thomas  | Executive                 |
| 3. K.C. Babu       | Non-executive             |
| 4. K.C. Thomas     | "                         |
| 5. V.Mohanlal      | "                         |
| 6. Nath Ram        | Independent non-executive |
| 7. V.T.John        | "                         |
| 8. Varghese Thomas | "                         |
| 9. P.Shrinivas     | "                         |

### **III. Meeting and Attendance of each Director at the Board and the last Annual General Meeting:**

During the period 2007-2008, your Board met 7 times. They were on-

1. 30th June, 2007
2. 14th July, 2007
3. 28th July, 2007
4. 20th August, 2007
5. 25th October, 2007
6. 30th January, 2008
7. 29th March, 2008