



Uniroyal Marine Exports Limited

20th Annual Report 2011-12



UNIROYAL MARINE EXPORTS LIMITED

CHAIRMAN	: IYPE MATHEW
MANAGING DIRECTOR	: ANUSH K THOMAS
DIRECTORS	: K.C.THOMAS V.MOHANLAL VARGHESE THOMAS V.T.JOHN V.S.NATH RAM P.SHRINIVAS
CHIEF EXECUTIVE OFFICER	: 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 Panchayath Kozhikode Dist. Kerala-673 303, India Ph :0496 – 2633781,2633782
REGISTRARS & SHARE TRANSFER AGENTS	: S K D C Consultants Limited Kanapathy Towers, 3 rd Floor,1391/A-1 Sathy Road, Ganapathy Coimbatore-641006. Phone : 0422-6549995 Fax: 0422-22539837
ISIN	: N S D L & C D S L – INE602H01010



NOTICE

Notice is hereby given that the Twentieth 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 – 673 303 on Saturday the **15th September 2012** at 2.30 p.m. to transact the following business:

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2012 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. V.T.John who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri. Varghese Thomas who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint 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. The retiring auditors are eligible for re-appointment.

By order of the Board
For **UNIROYAL MARINE EXPORTS Ltd**

Kozhikode
13/08/2012

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 13-09-2012 to 15-09-2012 (both days inclusive).
3. Members are requested to notify their change of address, if any, quoting their folio numbers to the Regd. Office of the company / our Registrars and Share Transfer Agents, M/s SKDC Consultants Ltd, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore-641006. (Phone : 0422-6549995, Fax: 0422-22539837). 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 stock exchange, a brief resume of directors who are proposed to be re-appointed at this meeting is given below:

Shri.V.T.John

Date of birth	-	24/05/1952
Date of appointment	-	21/08/1992
List of other Directorship held	-	1
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.V.T.John is a dynamic business entrepreneur. He is the founder partner of the Thomsun Group ,Dubai. He is also a partner in Thomsun Supermarket Dubai and a Director of East Fish (P) Ltd.,Ajman,UAE.

**Shri.Varghese Thomas**

Date of birth	- 10/02/1948
Date of appointment	- 21/08/1992
List of other Directorship held	- 1
Chairman/Member of the Committees of the Board	- Nil
Chairman/Member of the Committee of Directors of other Companies in which he is member	- Nil

Shri.Varghese Thomas is a dynamic business entrepreneur. He is the founder partner of the Thomsun Group, Dubai. He is also a partner in Thomsun Supermarket Dubai and a Director of East Fish (P) Ltd.,Ajman,UAE.

By order of the Board
For UNIROYAL MARINE EXPORTS Ltd

Kozhikode
13-08-2012

V.BALACHANDRAN
Company Secretary

DIRECTORS' REPORT

Dear Member,

Your Directors are delighted to present the Twentieth Annual Report and Audited Accounts for the financial year ended March 31, 2012.

Results of Operation

	Rs. in Lakh	
	2011-12	2010-11
Operating Revenue	3482.45	2543.23
Profit before tax	144.42	50.70
Profit after tax	94.90	31.49

Operation Analysis

The financial year 2011-12 was a challenging year. The Global Economy, barely a year after recession, witnessed lower economic growth. The European economies stagnated and the US witnessed a down grade in its credit rating. Despite this constraints and challenging environment your company performed well and was able to write off the accumulated loss of Rs.93.68 lac and to transfer the balance profit of Rs. 1.22 lac to Reserves & Surplus. The highlight of our performance are as under.

- Revenue from operation increased by 36% to Rs.3482.45 lac.
- PBDIT increased by 85% to Rs.169.28 lac.
- Net Profit increased by 201% to Rs.94.90 lac.
- Earning per share increased from Re.0.49 to Rs.1.46.



ENERGY CONSERVATION MEASURES

Information on the conservation of energy which is 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.

<u>Unit</u>		<u>Energy Consumption during</u>	
		<u>2011-12</u>	<u>2010-11</u>
(A) Power and Consumption			
1. Electricity			
i) Purchased Units	KWH	2123680	1787335
ii) Total Amount	Rs.	10990454	9390974
iii) Rate per unit	Rs.	5.18	5.25
2. Own Generation through Diesel Generator			
i) Unit	KWH	49850	40156
ii) Unit/Ltr. of Diesel Oil	KWH	2.57	2.51
iii) Cost per Unit	Rs.	18.81	17.77
(B) Consumption per Unit of Production			
a) Electricity	KWH	1.66	1.30
b) Diesel	Ltrs.	0.39	0.33

FOREIGN EXCHANGE EARNINGS AND OUTGO

- i) Foreign Exchange earned during the year (on FOB basis) - Rs.3009 Lac
- ii) Foreign Exchange outgo - Rs.17.97 Lac

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) Companies Act, 1956.

DIRECTORS

Your directors place on record their sincere appreciation of the constructive contribution made by Shri. Thomas P Koshy, Chief Executive Officer of the company.

In terms of Article 95 of the Articles of Association, Shri. V.T. John and Shri. Varghese Thomas 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.

Qualification in Auditor's Report regarding non funding of gratuity plans. Due to financial constraints, the company has not able to set apart and invest Gratuity Liability, necessary action will be taken in the next year.

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 March 31, 2012 and of the profit for the period ended March 31, 2012.
- (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 the following reports are attached as annexure

- (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

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 shareholders. The Directors also acknowledge the contribution made by employees at all levels.

For and on behalf of the Board of Directors

Iype Mathew
Chairman

Kozhikode
13-08-2012



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, 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 11-12 years, the latest being the anti-dumping action by the U S.

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 is conscious of 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/Risks

Opportunities

1. Our Company has adopted IQF (Individually Quick Frozen) technology, ensuring higher value addition in its production.
2. Proximity to main fish landing centres 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 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 and their adequacy**

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

The financial result of the company during the year under review was satisfactory.

As the company is engaged in processing 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 78.

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 Grievance Committees and every effort has been made to ensure transparency and professionalism in Governance.

II. Board of Directors:

The Board consists of 8 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-Managing Director
3. K.C. Thomas	Non-executive
4. V. Mohanlal	Non-executive
5. V.S.Nath Ram	Independent non-executive
6. V.T. John	Independent non-executive
7. Varghese Thomas	Independent non-executive
8. P. Shrinivas	Independent non-executive

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

During the period 2011-12 your Board met 7 times. They were on

- (a) 31-05-2011
- (b) 31-08-2011
- (c) 31-08-2011
- (d) 28-10-2011
- (e) 31-10-2011
- (f) 28-01-2012
- (g) 31-03-2012