



UNIROYAL MARINE EXPORTS LTD.

Seventeenth Annual Report 2008-2009



UNIROYAL MARINE EXPORTS LTD.

| | |
|---|---|
| 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 | 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 |
| ISIN | NSDL & CDSL - INE602H01010 |



NOTICE

Notice is hereby given that the Seventeenth 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 26th September, 2009 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, 2009 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 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,
11-07-2009

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 24th September 2009 to 26th September, 2009(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:

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 Thomson Group, Dubai. He is also a partner in Thomson 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 Committees 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 Thomson Group, Dubai. He is also a partner in Thomson Supermarket Dubai and a director of East Fish (P) Ltd Ajman, UAE

By Order of the Board
For UNIROYAL MARINE EXPORTS Ltd.,

Kozhikode,
11-07-2009

V. BALACHANDRAN
Company Secretary.

DIRECTORS' REPORT

Dear Member,

Your Directors are pleased to present the 17th Annual Report on the business and operations of the company together with the Audited Accounts for the year ended 31st March, 2009.

Financial Results.

| | Rs. in lakhs | |
|-----------------------------------|--------------|-----------|
| | 2008-2009 | 2007-2008 |
| Sales | 2709.69 | 2432.10 |
| Profit before tax | 200.91 | 14.47 |
| Profit after tax and depreciation | 115.20 | 11.33 |

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

Operation Analysis

During the year under review, your Company could achieve a digger turn over of Rs.2709.69 lakhs, an increase of 11.5%, compared to last year. Consequently, the Company has been able to earn a net profit of 115.20 lakhs after providing 85.71 lakhs towards tax and 70.15 lakhs for depreciation, thus an increase in earning per share from Rs. 0.17 in the previous year to Rs. 1.77 in this financial year, inspite of raw material scarcity, lack of products demand due to global recession and rise in energy charges.

Your Directors have great pleasure in informing you that our accumulated loss of Rs.11.5 crores in the financial year ending in 2002 has been reduced to Rs.1.5 crores in 2009.



Approximately 1,00,000 Public Limited Companies have been registered in India, out of which hardly 1,250 Companies are listed in NSE/BSE. As you know, our company is one of the listed companies in BSE. **Our Company's shares are not being traded actively in any of the Stock Exchanges., due to lack of dematted shares. Hence your directors are requesting all our valued shareholders to demat the shares as early as possible.**

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.

As members are aware, our founder director Shri. K.C. Babu resigned from the board on 20.09.2008. The board place on record the invaluable services rendered by him during the tenure of his office.

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.

| | <u>Unit</u> | <u>Energy Consumption during</u> | |
|---|-------------|----------------------------------|------------------|
| | | <u>2008-2009</u> | <u>2007-2008</u> |
| (A) Power and Consumption | | | |
| 1. Electricity | | | |
| i) Purchased Units | KWH | 2303961.00 | 2219238.00 |
| ii) Total Amount | Rs. | 12826213.00 | 10380470.00 |
| iii) Rate per unit | Rs. | 5.57 | 4.67 |
| 2. Own Generation through Diesel Generator | | | |
| i) Unit | KWH | 42156.00 | 129040.00 |
| ii) Unit per Ltr. of Diesel Oil | KWH | 2.63 | 2.53 |
| iii) Cost per Unit | Rs. | 13.48 | 13.45 |
| (B) Consumption per Unit of Production | | | |
| a) Electricity | KWH | 1.52 | 1.46 |
| b) Diesel | Ltrs. | 0.49 | 0.40 |

FOREIGN EXCHANGE EARNINGS AND OUTGO

- i) Foreign Exchange earned during the year (On FOB basis) - Rs. 23,84,27,280
- ii) Foreign Exchange Outgo - Rs. 14,38,936

PARTICULARS OF EMPLOYEES

There were no employees drawing salary exceeding Rs. 2,00,000 lakh per month 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. Anus K Thomas, Managing Director and Shri. Thomas P Koshy, Chief Executive 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.

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 31st March, 2009 and of the profit/loss for the period ended 31st March, 2009.
- (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,
11-07-2009

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.

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/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 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 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 performance of the company shows an improvement in value terms from Rs.11.33 lakh as at the end of March 2008 to Rs.115.19 lakh as at the end of March 2009.

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 is 96.

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 statues 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 8 Directors, Shri. Iype Mathew is the Chairman and Shri. Anush K Thomas is the Managing Director of the Company. All the Directors except Managing Director are non-executive.

Composition of the Board

Name of Directors

Category

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

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

During the period 2008-2009, your Board met 6 times. They were on-

1. 30th June, 2008
2. 26th July, 2008
3. 29th September, 2008
4. 23th October, 2008
5. 17th January, 2009
6. 30th March, 2009



The details of the attendance of the Directors in their meeting and in the last AGM are given below.

| Name of Directors | Category | Attendance | | Other Directorship / Committee ship | |
|--------------------|------------------------------|---------------|-----|-------------------------------------|-----|
| | | Board Meeting | AGM | Directorship/ Committee ship | |
| 1. Iype Mathew | Non-Executive Chairman | 6 | Yes | Nil | Nil |
| 2. Anush K Thomas | Executive | 6 | Yes | Nil | Nil |
| 3. K.C. Babu | Non-Executive | 2 | No | 2 | Nil |
| 4. K.C. Thomas | " | 6 | No | Nil | Nil |
| 5. V. Mohanlal | " | 3 | No | Nil | Nil |
| 6. V.S.Nath Ram | Non-Executive Independent | 5 | No | Nil | Nil |
| 7. V.T. John | " | 0 | No | 1 | Nil |
| 8. Varghese Thomas | " | 0 | No | 1 | Nil |
| 9. P. Shrinivas | " | 0 | No | 2 | Nil |

Re-appointment of Directors retiring by rotaion

1. Shri. V.T. John

Shri. V.T. John is a dynamic business entrepreneur. He is the founder partner of the Thomson Group, Dubai. He is also a partner in Thomson Supermarket Dubai and a director of East Fish (P) Ltd, Ajman, UAE.

Directorship and Committeeship held : 2

Share holding : 1,25,100 share of Rs.10/- each constituting 1.92% of the paid up capital

2. Shri. Varghese Thomas

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

Directorship and Committeeship held : 2

Share holding : 1,25,100 share of Rs.10/- each constituting 1.92% of the paid up capital

IV. Audit Committee:

Our Audit Committee consists of three Directors as its members. They are Shri. Iype Mathew, Shri. K.C. Thomas and Shri.V.S.Nath Ram. All the members of the Committee are non-executive Directors. Shri. Iype Mathew, Chairman, is a Chartered Accountant. The meetings of the Committee and attendance of the members during 2008-2009 are as follows:

| Sl.No. | Name of Directors | Date of Meetings | | | | |
|--------|-------------------|-----------------------|-----------------------|--------------------------|--------------------------|------------------------|
| | | 29 th June | 25 th July | 22 nd October | 16 th January | 29 th March |
| 1. | Iype Mathew | p | p | p | p | p |
| 2. | K.C. Thomas | p | p | p | p | p |
| 3. | V.S.Nath Ram | a | a | a | a | a |

P- Present, a - Absent

The role and powers of the Audit Committee are as laid down under the Clause 49 II D of the Listing Agreement and under Section 292 A of the Companies Act, 1956.



V. Remuneration to Directors

No Director, except the Managing Director, draws any remuneration from the Company. As per the terms and conditions approved by the Shareholders, remuneration of the Managing Director is Rs. 2,52,000 p a (including perks). The tenure of appointment of the Chairman and Managing Director is for a period of 5 years from 21/08/2007.

The sitting fee payable to the Directors during the previous year 2008-2009 is as follows

| <u>Name of director</u> | <u>Amount payable</u> Rs. |
|-------------------------|------------------------------|
| 1. Iype Mathew | 20,000.00 |
| 2. K.C. Thomas | 20,000.00 |
| 3. K.C. Babu | 2,000.00 |
| 4. V.S. Nathram | 5,000.00 |
| 5. V. Mohanlal | 3,000.00 |
| | <u>50,000.00</u> |

Since there is no remuneration to the non-executive Directors, no meeting of the Remuneration Committee was held during the year 2008-2009.

Non-executive Director's share holding :-

| | |
|--------------------|-----------------|
| 1. Iype Mathew | 23,900 shares |
| 2. K.C. Thomas | 2,37,500 shares |
| 3. V. Mohanlal | 2,00,100 shares |
| 4. V.S. Nath Ram | 1,00,000 shares |
| 5. V.T. John | 1,25,100 shares |
| 6. Varghese Thomas | 1,25,100 shares |
| 7. P. Shrinivas | 1,25,000 shares |

VI. Annual General Meetings:

The details of A G M held during the last 3 years are as follows:

| <u>AGM/Year</u> | <u>Venue</u> | <u>Date</u> | <u>Time</u> |
|-----------------|---|-----------------|-------------|
| 2006 | Regd. Office Uniroyal Marine Exports Ltd, 11/19, Vengalam P.O, Kozhikode - Kerala 673303 | 28th Sept. 2006 | 2.30 p m |
| 2007 | " " | 28th Sept. 2007 | 2.30 p m |
| 2008 | " " | 27th Sept. 2008 | 2.30 p m |

Company had passed special resolution at the AGM held on 25/09/2004 for transfer of records relating to Register of Member and Share Transfer Books and other shares related records and registers from the Registered Office of the company to the Office of the Registrar and Share Transfer Agent.

During the year 2008-2009, no resolution was passed by postal ballot.

No special resolution is proposed to be conducted through postal ballot



VII. Disclosures:

- (i) During the year under review, there were no significant transactions by the Company with its Promoters, Directors, Subsidiaries, Relatives etc. that would have potential conflict with the interest of the company
- (ii) No penalty or restrictions were imposed on the company by any of the Stock Exchanges, SEBI or any Statutory bodies on any matter related to Capital Market during the last three years.

VIII. Investor's Grievance Committee:

The investors' Grievance Committee consists of three Directors. They are Shri. Iype Mathew, Shri. K.C. Thomas and Shri. V.S.Nath Ram. Shri. Iype Mathew is the Chairman. As per the requirements of SEBI, Shri.V. Balachandran, Company Secretary has been appointed as the Compliance Officer. For any clarification or complaint, the shareholders may contact our Compliance Officer. There were no complaints pending on 31.03.2009.

IX. Communication:

The company has been sending the quarterly and half yearly reports to all the Stock Exchanges where the shares of the company are listed, immediately after approval by the Board. The results are also published in the 'The Financial Express' and in 'Deepika'.

The Management Discussion and Analysis forms part of this annual report.

X. General Shareholders information:

Date of meeting of the Board of Directors in which Accounts for the year 2008-2009 were approved 11.07.2009.

| | | |
|-----|-------------|--|
| (i) | Date of AGM | 26 th September, 2009 |
| | Venue | Regd. Office 11/19, Vengalam P O Chemancherry Panchayat Kozhikode 673 303 |
| | Time | 2.30 p m |

(ii) Financial calendar(2008-2009)

| | |
|-----------------------|----------------|
| AGM | September 2009 |
| 1st quarterly results | July, 2008 |
| 2nd quarterly results | October, 2008 |
| 3rd quarterly results | January, 2009 |



Annual results for the year ending 31-03-2009 by the mid of July

| | |
|------------------------------------|---|
| (iii) Particulars of Dividend paid | Nil |
| (iv) Book Closure | 24 th September to 26 th September, 2009 (both days inclusive) |
| (v) Shares are listed at | |
| | <u>Stock code</u> |
| 1. Cochin Stock Exchange Ltd | |
| 2. The Stock Exchange, Mumbai | 526113 |

During the year under review, the Company has paid the Annual Listing fees payable to The Stock Exchange, Mumbai and Cochin Stock Exchange Ltd. in full.

(vi) Market Price data:-

Since appreciable trading of our stocks did not take place in any of the stock exchanges during the previous year, the high and low price of the shares is not available.

(vii) Registrar & Share Transfer/Demat Agents:-

Company's Share Transfer work and dematerialisation are done by SKDC Consultants Limited, No.7 (Old No.11), Street No.1 S N Layout, West Power House Road, Coimbatore - 641 012 (Ph.0422-6549995, FAX: 0422-2499574 and email: info@skdc-consultants.com). The Shareholders can contact them for all matters related to shareholdings.

(viii) Share transfer system: -

As on 31st March, 2009 the shares of the company are in dematerialized mode. Application for transfer of shares is completed within 30 days from the date of receipt, if the application is in order. Presently there is no application pending for transfer as on 31st March 2009.



(viii) Share holding pattern as on 31st March, 2009
Distribution of share holding as on 31st March, 2009

| No. of equity shares | No. of members | % to total members | No. of shares | % to total shares |
|----------------------|----------------|--------------------|---------------|-------------------|
| Upto - 500 | 17888 | 95.50 | 22940000 | 35.29 |
| 501 - 1000 | 444 | 2.37 | 3594000 | 5.53 |
| 1001 - 2000 | 129 | 0.69 | 1897000 | 2.92 |
| 2001 - 3000 | 35 | 0.19 | 887000 | 1.36 |
| 3001 - 4000 | 4 | 0.02 | 134000 | 0.21 |
| 4001 - 5000 | 146 | 0.78 | 7288000 | 11.21 |
| 5001 - 10000 | 40 | 0.21 | 3533000 | 5.44 |
| 10001 & above | 44 | 0.23 | 24727000 | 38.04 |
| Total | | | 6500000 | 100.00 |

(ix) Categories of shareholders as on 31.03.2009

| Category | No. of shares | % of holding |
|------------------|---------------|--------------|
| Promoters | 2579800 | 39.69 |
| NRI (Promoters) | 375200 | 5.77 |
| NRI | Nil | Nil |
| FII | Nil | Nil |
| OCB | Nil | Nil |
| IFI | Nil | Nil |
| IMF | Nil | Nil |
| Bank | 300 | 0.01 |
| Employees | 4000 | 0.06 |
| Bodies Corporate | 50000 | 0.77 |
| Public | 3490700 | 53.70 |
| Trust | Nil | Nil |
| Total | 6500000 | 100.00 |

(x) Outstanding GDR/ADR - The Company has not issued any GDR/ADR
 The company has not accepted any fixed deposits

(xi) Location of plant:- Uniroyal Marine Exports Limited
 11/19, Vengalam P O, Kozhikode 673 303. Kerala

(xii) Address for correspondence:-
 Uniroyal Marine Exports Limited
 11/19, Vengalam P O,
 Kozhikode 673 303. Kerala

(xiii) Chairman's Certificate on Code of conduct

The Board had adopted a Code of conduct for the Board members and Senior Management personal of the Company. The requisite certificate affirming the compliance with the Code of conduct has also been obtained from the Board members and Senior Management personnel to whom this code of conduct is applicable.



**ANNEXURE TO THE REPORT OF THE DIRECTORS
CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF
CONDITIONS OF CORPORATE GOVERNANCE**

To the Shareholders of Uniroyal Marine Exports Limited.

We have examined the compliance of conditions of Corporate Governance by Uniroyal Marine Exports Limited, for the year ended 31st March, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s)

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions for the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that in respect of investor grievances received during the year ended 31st March, 2009, no investor grievances are pending for a period exceeding one month against the Company as per records maintained by the Company which are presented to the Shareholders/investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For SUDHIR & KURUVILLA
Chartered Accountants

Camp : Kozhikode
Date : 11.07.2009

K.C. Kuruvilla, FCA
Partner



SUDHIR & KURUVILLA
Chartered Accountants

41/3615 Cyber Square Building
Old Railway Station Road
Kacheripady, Cochin - 682 018
Phone (Off) : 2398014

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

We have audited the attached Balance Sheet of Uniroyal Marine Exports Limited as at 31st March, 2009 and Profit and Loss Account of the Company for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. 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.

1. We conducted our audit in accordance with the 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 statement. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by Companies (Auditors Report) Order, 2003, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the annexure referred to, we report that:
 - (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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement 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, 2009 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) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with the statement on significant accounting policies and other notes given in Schedule-14, 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, 2009
 - (ii) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date, and
 - (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For SUDHIR & KURUVILLA
Chartered Accountants

K. C. KURUVILLA, FCA
Partner (18313)

Camp : Kozhikode
Date : 11-07-2009

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph 2 of our report of even date

- i. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Physical verification of fixed assets is carried out in a phased manner as determined by management, whereby assets held at the Company's factory have been verified during the year. The programme of verification is reasonable considering the nature of assets and size of the Company and no material discrepancies were noticed on such verification.
 - (c) The company has not disposed off any substantial portion of fixed assets.



- ii. In respect of its inventories:
 - (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii.
 - (a) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained Under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4 (iii) (b), (c) and (d) of the order are not applicable.
 - (b) According to the information and explanations given to us, the Company has not taken any loans during the year secured or unsecured from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. The company has repaid a sum of Rs. 1,00,00,000/- availed in earlier year from one of its Directors
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in such internal control systems.
- v.
 - (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section; and
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. The company has not accepted any deposits from the public attracting sec.58A & 58 AA of the Companies Acceptance of deposit Rules 1975 during the year.
- vii. In our opinion, the company has an internal audit system commensurate with the size and the nature of its business.
- viii. Maintenance of cost records were not mandatory for the company.
- ix.
 - (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income-tax, Sales -tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amount in respect of Income-tax, Sales -tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears as at 31st March, 2009 for a period more than six months from the date they became payable



- x. In our opinion, the company has accumulated losses, however the company has not incurred cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, Company has not defaulted in repayment of dues to financial institutions and bank.
- xii. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The provisions of any Special statute applicable to chit fund / nidhi / mutual benefit fund / society are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company
- xv. In our opinion and according to the information and explanations given to us, the Company has not during the year, given any guarantee for loan taken by others from banks or financial institutions
- xvi. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company was applied for the purpose for which these loans were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. According to the information and explanations given to us, the company has not during the year made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. The Company has not issued any debentures during the year.
- xx. The Company has not raised money by way of public issues during the year.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

For SUDHIR & KURUVILLA
Chartered Accountants

K. C. KURUVILLA, FCA
Partner (18313)

Camp : Kozhikode
Date : 11-7-2009



BALANCE SHEET AS AT 31 - 03 - 2009

| | Schedule No | As at 31-03-2009 Rs. | As at 31-03-2008 Rs. |
|--|-----------------------------------|--|----------------------------|
| I. SOURCES OF FUNDS | | | |
| 1) Share Holders Funds | | | |
| a) Share Capital | 1 | 64888500.00 | 64888500.00 |
| b) Reserves & Surplus | 2 | 2427842.00 | 2427842.00 |
| 2) Loan Funds | | | |
| a) Secured Loans | 3 | 29988802.00 | 28066449.62 |
| b) Unsecured Loans | 4 | 8345586.30 | 17875391.30 |
| TOTAL | | <u>105650730.30</u> | <u>113258182.92</u> |
| II. APPLICATION OF FUNDS | | | |
| 1) Fixed Assets | | | |
| Gross Block | 5 | 120774746.41 | 120069322.41 |
| Less: Depreciation | | <u>(95756842.94)</u> | <u>(89134314.94)</u> |
| Net Block | | 25017903.47 | 30935007.47 |
| 2) Investments | | NIL | NIL |
| 3) Current Assets | | | |
| Loans & Advances | 6 | | |
| a. Inventory | | 74176969.13 | 55305052.28 |
| b. Sundry debtors | | 10183955.50 | 6313596.50 |
| c. Cash & Bank balances | | 151372.56 | 5009445.16 |
| d. Loans & Advances | | <u>3503004.95</u> | <u>3736284.96</u> |
| | | <u>88015302.14</u> | <u>70364378.90</u> |
| Less: Current Liabilities & Provisions | 7 | | |
| a. Current Liabilities | | 21992775.37 | 21581116.05 |
| b. Provisions | | <u>3661437.00</u> | <u>3736634.00</u> |
| | | <u>25654212.37</u> | <u>25317750.05</u> |
| Net Current Assets | | 62361089.77 | 45046628.85 |
| 4) Deferred Tax Asset (Net) | | 3547450.61 | 11032784.36 |
| 5) Miscellaneous Expenditure | | NIL | NIL |
| 6) Profit & Loss A/C | | <u>14724286.45</u> | <u>26243762.24</u> |
| Total | | <u>105650730.30</u> | <u>113258182.92</u> |
| III. Notes On Accounts | | | |
| | 14 | | |
| ANUSH K THOMAS Managing Director | IYPE MATHEW Director | As per my report of even date For SUDHIR & KURUVILLA Chartered Accountants | |
| V. BALACHANDRAN Company Secretary | THOMAS P KOSHY Chief Executive | K.C.KURUVILLA (FCA) Partner(18313) | |
| Camp : Kozhikode | | | |
| Date : 11-07-2009 | | | |



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 - 03 - 2009

| | Schedule No | 2008-2009 Rs. | 2007-2008 Rs. |
|---|----------------|-----------------------------|-----------------------------|
| I. INCOME | | | |
| Sales | 8 | 270969364.00 | 243209750.00 |
| Miscellaneous Receipts | 9 | <u>303927.45</u> | <u>694445.21</u> |
| TOTAL | | <u><u>271273291.45</u></u> | <u><u>243904195.21</u></u> |
| II. EXPENDITURE | | | |
| Cost of Goods Sold/Consumed | 10&11 | 202097565.49 | 196380159.40 |
| Shipping Freight & Expenses | | 18359854.01 | 16291692.17 |
| Interest & Financial Charges | 12 | 8522148.51 | 6741157.95 |
| Administration and Selling Expenses ¹³ | | 15269131.44 | 16020186.90 |
| Depreciation | | <u>7015097.00</u> | <u>7023105.00</u> |
| TOTAL | | <u><u>251263796.45</u></u> | <u><u>242456301.42</u></u> |
| III. Profit/(Loss) For the Year | | 20009495.00 | 1447893.79 |
| Less Prior Period Adjustments | | (694685.46) | (259428.00) |
| IV. Profit/(Loss) After Prior Period Adjustments and Exceptional items | | 19314809.54 | 1188465.79 |
| V. Provision for Income Tax (Refer Notes on Accounts) | | | |
| (a) Current Year | | (220000.00) | NIL |
| (b) Provision for Fringe Benefit Tax | | (90000.00) | (55000.00) |
| (c) Deferred Tax [Refer Notes on Accounts - Schedule 14 (7) a & b | | (7485333.75) | NIL |
| VI. Profit/(Loss) After Exceptional Items | | 11519475.79 | 1133465.79 |
| VII. (Loss) Brought Forward | | <u>(26243762.24)</u> | <u>(27377228.03)</u> |
| Profit/(Loss) Transferred to Balance Sheet | | <u><u>(14724286.45)</u></u> | <u><u>(26243762.24)</u></u> |
| VII. Notes on Accounts | 14 | | |
| VIII. Earnings per Share | | 1.77 | 0.17 |

ANUSH K THOMAS
Managing Director

IYPE MATHEW
Director

As per my report of even date
FOR SUDHIR & KURUVILLA
Chartered Accountants

V. BALACHANDRAN
Company Secretary

THOMAS P KOSHY
Chief Executive

K.C.KURUVILLA (FCA)
Partner (18313)

Camp : Kozhikode
Date : 11-07-2009



**SCHEDULES ATTACHED TO THE BALANCE SHEET
AND PROFIT & LOSS ACCOUNT**

| | 2008-2009 Rs. | 2007-2008 Rs. |
|--|--------------------|--------------------|
| <u>SCHEDULE 1: SHARE CAPITAL</u> | | |
| Authorised | | |
| 80,00,000 Equity Shares of Rs.10/- each | <u>80000000.00</u> | <u>80000000.00</u> |
| <u>Issued, Subscribed and Paid Up:</u> | | |
| 65,00,000 Equity Shares of Rs.10/- each | 65000000.00 | 65000000.00 |
| Less : Allotment Money - In Arrears | <u>111500.00</u> | <u>111500.00</u> |
| | <u>64888500.00</u> | <u>64888500.00</u> |
| <u>SCHEDULE 2: RESERVES AND SURPLUS</u> | | |
| Capital Reserve | <u>2427842.00</u> | <u>2427842.00</u> |
| <u>SCHEDULE 3: SECURED LOANS</u> | | |
| THE FEDERAL BANK LTD : | | |
| Foreign Currency Demand Term Loan (of US\$ 61907) secured by way of equitable mortgage of land and building owned by the company and hypothecation of Plant & Machinery and personal guarantee by the previous Managing Director | NIL | 680550.62 |
| THE FEDERAL BANK LTD : | | |
| Export Packing Credit secured by first charge on all the goods to be exported and the whole of the company's stock of marine products and also charge by way of hypothecation on land, building, machineries and equipments, and also personal guarantee of previous Managing Director | <u>29988802.00</u> | <u>27385899.00</u> |
| | <u>29988802.00</u> | <u>28066449.62</u> |
| <u>SCHEDULE 4: UNSECURED LOANS</u> | | |
| Hire purchase loan | 895191.00 | 424996.00 |
| Loan from Directors | 497100.00 | 10497100.00 |
| Loan from others | <u>6953295.30</u> | <u>6953295.30</u> |
| | <u>8345586.30</u> | <u>17875391.30</u> |

SCHEDULE 5: FIXED ASSETS

| PARTICULARS | | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---------------|-----------------------|------------------|---------------------------|----------------------------|------------------------|------------------|--------------|--------------------------|------------------------|------------------|------------------|
| Sl No | | As on 01-04-2008 | Additions during the year | Deductions during the year | Total as on 31-03-2009 | Up to 01-04-2008 | For the year | Adjustment for Deduction | Total As on 31-03-2009 | As on 31-03-2009 | As on 31-03-2008 |
| 1 | Land | 2623405.70 | ... | ... | 2623405.70 | ... | ... | ... | ... | 2623405.70 | 2623405.70 |
| 2 | Factory Building | 21058183.50 | ... | ... | 21058183.50 | 9167844.65 | 703343.00 | ... | 9871187.65 | 11186995.85 | 11890338.85 |
| 3 | Plant and Machinery | 77659459.90 | ... | ... | 77659459.90 | 66309913.59 | 5762332.00 | ... | 72072245.59 | 5587214.31 | 11349546.31 |
| 4 | Processing Equipments | 4137015.91 | 268659.00 | ... | 4405674.91 | 1866610.13 | 203546.00 | ... | 2070156.13 | 2335518.78 | 2270405.78 |
| 5 | Laboratory Equipments | 260663.97 | ... | ... | 260663.97 | 152093.48 | 12382.00 | ... | 164475.48 | 96188.49 | 108570.49 |
| 6 | Office Equipments | 604674.62 | 59939.00 | ... | 664613.62 | 286167.64 | 31079.00 | ... | 317246.64 | 347366.98 | 318506.98 |
| 7 | Electrical Fittings | 3149124.77 | ... | ... | 3149124.77 | 2029934.32 | 149583.00 | ... | 2179517.32 | 969607.45 | 1119190.45 |
| 8 | Furniture & Fittings | 420753.91 | ... | ... | 420753.91 | 298988.70 | 26634.00 | ... | 325622.70 | 95131.21 | 121765.21 |
| 9 | Vehicles | 7832284.63 | ... | ... | 7832284.63 | 7817284.78 | ... | ... | 7817284.78 | 14999.85 | 14999.85 |
| 10 | Motor Car | 1567665.00 | 1137302.00 | (774876.00) | 1930091.00 | 457636.09 | 125450.00 | (392569.00) | 190517.09 | 1739573.91 | 1110028.91 |
| 11 | Library | 15750.50 | ... | ... | 15750.50 | 8501.56 | 748.00 | ... | 9249.56 | 6500.94 | 7248.94 |
| 12 | Computers | 740340.00 | 14400.00 | ... | 754740.00 | 739340.01 | ... | ... | 739340.01 | 15399.99 | 999.99 |
| Total | | 120069322.41 | 1480300.00 | (774876.00) | 120774746.41 | 89134314.94 | 7015097.00 | (392569.00) | 95756842.94 | 25017903.47 | 30935007.47 |
| Previous Year | | 119657047.45 | 694485.96 | (282211.00) | 120069322.41 | 82329671.08 | 7023105.00 | (218461.14) | 89134314.94 | ... | ... |



**SCHEDULE 6: CURRENT ASSETS, LOANS AND ADVANCES****A. CURRENT ASSETS**

| | | | | |
|---|-------------|-------------|-------------|-------------|
| 1) stock as taken valued and Certified by the Management : | | | | |
| Finished goods | 71351305.00 | | 53243883.00 | |
| Raw materials | 1130056.00 | | 389448.00 | |
| Packing materials | 1038026.00 | | 1300277.65 | |
| Stores and spare parts | 167608.13 | | 225470.13 | |
| Consumables | 489974.00 | 74176969.13 | 145973.50 | 55305052.28 |
| 2) Sundry debtors, (Unsecured Exceeding six months) | | | | |
| a. Considered Good | NIL | | NIL | |
| b. Considered Doubtful | NIL | | NIL | |
| c. OTHER DEBTS | 10183955.50 | | 6313596.50 | |
| | 10183955.50 | 10183955.50 | 6313596.50 | 6313596.50 |
| 3) Cash in hand | 24349.40 | | 191703.15 | |
| 4) Balance with scheduled banks In current account | 127023.16 | 151372.56 | 4817742.01 | 5009445.16 |

B. LOANS AND ADVANCES

(Unsecured considered good)
Advances recoverable in cash or
in kind or for value to be received

| | | | | |
|-----------------------|------------|-------------|------------|-------------|
| 1) Loans and advances | 1558159.95 | | 1563159.96 | |
| 2) Deposits | 1944845.00 | 3503004.95 | 2173125.00 | 3736284.96 |
| | | 88015302.14 | | 70364378.90 |

SCHEDULE 7: CURRENT LIABILITIES AND PROVISIONS**A. CURRENT LIABILITIES**

Sundry creditors :

| | | | | |
|------------------------------|-------------|-------------|-------------|-------------|
| Small scale industrial units | 583109.36 | | 996447.20 | |
| Due to directors | 20000.00 | | 165357.00 | |
| Others | 21389666.01 | 21992775.37 | 20419311.85 | 21581116.05 |

B. PROVISIONS

| | | | | |
|----------------------------------|------------|-------------|------------|-------------|
| Provision for Taxation | 220000.00 | | NIL | |
| Provision for Fringe Benefit Tax | 90000.00 | | 55000.00 | |
| Others | 3351437.00 | 3661437.00 | 3681634.00 | 3736634.00 |
| | | 25654212.37 | | 25317750.05 |

SCHEDULE 8: SALES

| | | | | |
|---------------------|--------------|--------------|--------------|--------------|
| Export Sales | 251704118.00 | | 227869011.00 | |
| Less : Sales Return | 1994736.00 | 249709382.00 | NIL | 227869011.00 |
| License-Sales | | 20095621.00 | | 14844680.00 |
| Domestic Sales | | 1164361.00 | | 496059.00 |
| | | 270969364.00 | | 243209750.00 |

**SCHEDULE 9: MISCELLANEOUS RECEIPTS**

| | | |
|----------------------|------------------|------------------|
| Freight rebate | 177875.45 | 101681.12 |
| Miscellaneous income | 126052.00 | 592764.09 |
| | <u>303927.45</u> | <u>694445.21</u> |

SCHEDULE 10: COST OF GOODS SOLD / CONSUMED

| | | | |
|--------------------------------|---------------------|---------------------|---------------------|
| OPENING STOCK: | | | |
| Finished Goods | 53243883.00 | 47400863.00 | |
| Raw Materials | 389448.00 | 778344.00 | |
| Packing Materials | 1300277.65 | 1181644.00 | |
| Consumables | <u>145973.50</u> | <u>181430.00</u> | 49542281.00 |
| ADD: PURCHASES: | | | |
| Raw Materials & Finished Goods | 177064532.00 | 166574554.00 | |
| Packing Materials | 5898390.97 | 5935765.20 | |
| Consumables | 3973220.20 | 2820563.41 | |
| Other Manufacturing Expenses | <u>34091201.17</u> | <u>221027344.34</u> | <u>201917460.55</u> |
| (As Per Schedule 11) | 276106926.49 | | 251459741.55 |
| LESS: CLOSING STOCK: | | | |
| Finished Goods | 71351305.00 | 53243883.00 | |
| Raw Materials | 1130056.00 | 389448.00 | |
| Packing Materials | 1038026.00 | 1300277.65 | |
| Consumables | <u>489974.00</u> | <u>74009361.00</u> | <u>145973.50</u> |
| | <u>202097565.49</u> | | <u>196380159.40</u> |

SCHEDULE 11: OTHER MANUFACTURING EXPENSES

| | | |
|---------------------------------|--------------------|--------------------|
| Processing Wages and Allowances | 482102.00 | 498530.00 |
| Power and fuel | 14794009.72 | 11321589.00 |
| Repairs & Maintenance : | | |
| For Machinery | 1359648.50 | 993762.87 |
| For Others | <u>1320220.11</u> | <u>2679868.61</u> |
| Laboratory Expenses | 32732.00 | 31803.00 |
| Factory Expenses | 6409867.29 | 4791955.87 |
| Purchase Expenses | 9692621.55 | 7754674.20 |
| | <u>34091201.17</u> | <u>26586577.94</u> |

SCHEDULE 12: INTEREST AND FINANCE CHARGES:

| | | |
|--|-------------------|-------------------|
| Interest on Foreign Currency Term Loan | 48522.38 | 98927.00 |
| Interest on PCL | 3184428.99 | 2512245.74 |
| Interest on FDBP/FUBP | 2760601.00 | 2846639.00 |
| Bank and finance charges | 2443148.85 | 1234972.52 |
| Interest on Hire Purchase | 85447.29 | 48373.69 |
| | <u>8522148.51</u> | <u>6741157.95</u> |

**SCHEDULE 13: ADMINISTRATION & SELLING EXPENSES**

| | | | |
|--|--------------------|-------------------|--------------------|
| Salary, Bonus, Exgratia and Allowances | 9376861.90 | | 9100906.36 |
| Salary to MD | 252000.00 | | 252000.00 |
| Gratuity | 197120.00 | | 1061576.00 |
| Rent | 104000.00 | | 108450.00 |
| Rates & taxes | 335431.82 | | 529331.75 |
| Printing & stationery | 112597.10 | | 64717.00 |
| Traveling expenses - Directors | 59599.00 | 16531.00 | |
| Traveling expenses - Others | <u>1033954.60</u> | <u>1093553.60</u> | <u>120641.00</u> |
| Foreign tour expenses | 53986.00 | | 89595.00 |
| Postage, Telegram and Telephone | 218327.70 | | 250799.73 |
| Commission and Brokerage | 1385040.00 | | 2620476.00 |
| Insurance | 299253.00 | | 266753.00 |
| ECGC premium | 302042.00 | | 397126.00 |
| Auditors fee: | | | |
| Audit Fee | 30000.00 | 30000.00 | |
| Tax audit | 10000.00 | 10000.00 | |
| Certification | <u>15000.00</u> | <u>55000.00</u> | <u>40000.00</u> |
| Reimbursement of expenses to auditors | 8991.12 | | 7869.06 |
| Other administrative expenses | 587398.20 | | 550206.00 |
| Sales promotion expenses | 89055.00 | | 42933.00 |
| Bad debts written off | 669667.00 | | 500276.00 |
| Loss on sale of assets | 128807.00 | | NIL |
| | <u>15269131.44</u> | | <u>16020186.90</u> |

SCHEDULE 14: NOTES ON ACCOUNTS**1. Significant Accounting Policies****A) Basis of Accounting:-**

The financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles, the applicable mandatory Accounting Standards and the relevant provisions of the Companies Act, 1956

B) Fixed Assets & Depreciation:-

Fixed Assets are stated at cost of acquisition /book value less accumulated depreciation

C) Depreciation:-

(i) Depreciation on asset is provided on straight line method at the rate prescribed in Schedule XIV to the Companies Act, 1956.

(ii) Cost of Intangibles capitalized have been amortized over their useful life.

(iii) Depreciation on additions or on sale/discardment of assets is provided on pro-rata basis from the month of such addition or up to the month of such sale/discardment as the case may be.



- D) Inventory:-
(i) Finished goods are valued at cost or net realisable value whichever is lower and raw material is at cost as certified by the management based on FIFO method. Cost includes all charges incurred for bringing the goods to the point of sales.
(ii) Consumables, Stores and Packing Materials are valued at cost less amount written off. The cost formula used is First In First Out.
- E) Revenue Recognition:-
Sale of goods is recognized at the point of dispatch of finished goods whereby all significant risks and rewards of ownership have been transferred to the buyers and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods.
- F) Export sales are shown at cost plus freight.
- G) Employees benefits:-
Retirement benefits : Defined benefit plans-
Contributions to defined contribution schemes such as Provident Fund and ESI are charged to the Profit and Loss account as incurred. The company also provides for retirement and post-retirement benefits in the form of gratuity and leave encashment. Such defined benefits are charged to the Profit and Loss account based on valuations, as at the balance sheet date. Provision for gratuity liability has been made on the basis of valuation, submitted by the management. Actuarial valuation as per AS-15 of ICAI has not been complied with, the effect of which is not ascertainable.
- H) Impairment of assets:
If the carrying of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable. The recoverable amount is not higher of the net selling price and the value in use determined by the present value of estimated future cash flows.
- I) Segment Reporting:
The Company has only one segment. The Company's operation predominantly related to processing and exporting of marine products and has disclosed exports as its primary segment. Since the income on account of other activities are only incidental to the main business of seafood export and does not individually contribute to 10% or more of the total revenue receipts as per AS – 17 as prescribed under companies (Accounting Standards) Rules, 2006 separate segment reporting is not applicable. Local turnover is not significant in total turnover.
- J) Depending on the facts of each case and after studying the legal implications, the Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. The disclosure is made for all possible or present obligations that may but probably will not require outflow of resources as contingent liability in the financial statement
- K) The entire Technical Know-how and Preliminary Expenses had been written off over a period of 10 years.
- L) Sundry debtors: In the opinion of the management, sundry debtors, loans and advances will realize a value as stated in the financial statement, if realized in the normal course of business. The balances are therefore as per books of accounts only.



M) Taxation

Current Income Tax – Tax on income for current period Rs. 2,20,000/- is determined on the basis of MAT provision applicable U/S. 115 JB of the IT Act.

FBT – Provision for Fringe Benefit Tax Rs.90,000/- made on the fringe benefits deemed to have been provided during the year at the rates and the values applicable to the relevant assessment year.

Deferred Tax – Deferred Tax Asset for the current year not recognized on prudent basis.

Deferred Tax Liability:-

| | | As on 1-4-2008 | For the year | | As on 31-3-2009 |
|--|-----------------|-------------------|-----------------|-----------------|--------------------|
| Depreciation | | | | | |
| Fixed asset net of land as on 31-3-2008-Companies Act | 28311602 | | | 22394498 | |
| Less: WDV as per IT | <u>17557364</u> | | | <u>16447118</u> | |
| | 10754238 | 6437020 | -4415505 | 5947380 | 2021514 |

Deferred Tax Asset:-

| | | | | | |
|-------------------------|----------|----------|-----------|----------|---------|
| Provision for gratuity | 3681634 | 911040 | 228113 | 3351437 | 1139153 |
| Unabsorbed depreciation | 38217909 | 16558763 | -12128952 | 13032688 | 4429811 |
| | | 17469803 | -11900839 | | 5568946 |
| | | 11032783 | -7485334 | | 3547450 |

N) Foreign currency transactions are accounted at the prevailing rates on the date of transaction and exchange rate differences on monetary assets and liability as on closing date dealt in the Profit & Loss Account wherever material.

O) Grants:

Government grant in the nature of investment subsidy received in earlier years is credited to Capital Reserve, Grant relating to specific fixed asset is adjusted against the gross value of assets. No subsidy has been received during the year.



| 2. Contingent Liabilities not provided for | Current Year | Previous Year |
|---|------------------|------------------|
| a) Foreign documentary Bills Discounted | Rs.2,60,14,900/- | Rs.2,62,17,673/- |
| b) Bank Guarantee given by the Company in Favour of Special Tahsildar: | Rs.1,27,765/- | Rs.1,27,765/- |
| c) Bank Guarantee given in favour of KSEB | Rs.8,64,970/- | Rs.2,08,740/- |
| f) Income Tax Liability pending in appeal Assessment Year 2003-04 & 2004-05 | NIL | Rs.24,30,766 |

3. **Sale of DEPB Licence is accounted on realization basis.**

4. **Payment made to Directors**

| | As at 31.3.2009 | As at 31.3.2008 |
|---|------------------|------------------|
| Salary to Managing Director | 1,80,000.00 | 1,80,000.00 |
| House Rent Perquisites | <u>72,000.00</u> | <u>72,000.00</u> |
| | 2,52,000.00 | 2,52,000.00 |
| Travelling Expenses incurred by Directors | 59,599.00 | 16531.00 |
| Travelling Expenses – Foreign Tour | 53,986.00 | Nil |
| Sitting Fee to Directors | 50,000.00 | 61,000.00 |
| Professional charges for IT expenses | 15,000.00 | Nil |

Directors are not claiming any commission and hence calculation of net profit under section 349 of the Companies Act, 1956 for computation of eligible commission to directors are not given.

5. **REMUNERATION TO AUDITORS**

| | <u>31-03-2009</u> | <u>31-03-2008</u> |
|---------------------|---------------------|--------------------|
| For Statutory Audit | Rs. 30000.00 | Rs.30000.00 |
| For Tax Audit | Rs. 10000.00 | Rs.10000.00 |
| For Other Services | Rs. 15000.00 | Rs. 10000.00 |
| | <u>Rs. 55000.00</u> | <u>Rs.50000.00</u> |

6. **ADDITIONAL INFORMATION**

MARINE DIVISION

| | <u>Current Year</u> | <u>Previous Year</u> |
|------------------------|---------------------|----------------------|
| i) Licensed Capacity | N:A | N.A |
| ii) Installed Capacity | 17700 MT | 17700 MT |
| iii) Actual Production | 1542 MT | 1524MT |

7. Name of Small Scale Industries to whom the Company owes amounts outstanding for more than 30 days.

| | |
|--------------------|-------------|
| Escort Packagings | Rs.3,80,373 |
| Rohini Plasto Pack | Rs.1,78,909 |

8. **Unsecured Loan:**

| | | |
|--|------------------|--------------------|
| From Directors | Rs. 4,97,100 | Rs.1,0497,100 |
| From firms in which directors are Included | Rs. 69,53,295 | Rs. 69,53,295 |
| | <u>74,50,395</u> | <u>1,74,50,395</u> |



| | | |
|---|--------------------------------|---------------------------------|
| 9. Value of Imports calculated on CIF basis by the Company. | | |
| | <u>During the Current Year</u> | <u>During the previous year</u> |
| a. Raw Materials for re-export | NIL | NIL |
| b. Components & Spare parts | NIL | NIL |
| c. Capital goods | NIL | NIL |
| 10. Expenditure in Foreign Currency | | |
| On account of payment of exports | | |
| Sales commission | Rs.13,85,040 | Rs. 8,56,748 |
| Foreign Tour | Rs. 53,896 | Rs. 5,500 |
| Import of Capital goods | Rs. NIL | Rs. NIL |
| 11. Earnings in Foreign Exchange: | | |
| Export of goods calculated on FOB basis | Rs.23,84,27,280 | Rs.21,55,35,162 |
| 12. Related Party Transaction Under AS-18: | | |

Relationship:

Firms or Companies in which Directors are having influence:

Baby Marine Exports, Baby Marine Eastern Exports, Baby Marine Products, Narayanan & Co., M/s. Bams Global Impex, Manimala Plantations, M/s. Tharian & Iype, Pranavam Arts, Thomsun Electronics, Thomsun Supermarket, East Fish Private Limited, Ramnath & Co., Laxmi Agencies, Aqua Food Products Inc., Gro Enterprises, ABCS Hotels and Resorts Pvt. Ltd, Fedex Securities Limited, Arch Angel leasing and Infotech (P) Ltd, Magrolia leasing and Infotech (P) Ltd, & SAM property developers and Hotels (P) Ltd..

Key Management Personnel:

Mr. Anush K. Thomas, Managing Director and Mr. Thomas P Koshy, Chief Executive..

Nature of transactions with related parties:

| | <u>Directors</u> | <u>Key Management Personnel</u> | <u>Firms/Companies In which Directors are interested</u> |
|--|------------------|---|--|
| Remuneration | 2,52,000 | 1,65,500 | — |
| Sitting Fee | 50,000 | — | — |
| Travelling expenses | 59,599 | 14,728 | — |
| Professional charges for Tax representation | 15,000 | — | — |

13. No amount is due for transfer to Investor Education and Protection Fund in accordance with Sec.205C of the Companies Act, 1956, as at the end of the Year.

14. Earning per share

| | | |
|------------------|----------------|--------------|
| Profit after Tax | Rs.1,15,19,476 | Rs.11,33,465 |
| No. of shares | 64,88,850 | 64,88,850 |

BASIC & DILUTED EARNINGS PER SHARE

| | | |
|-------------------------------|---------|---------|
| (Face value of share Rs.10/-) | Rs.1.77 | Rs.0.17 |
|-------------------------------|---------|---------|



15. Cash Flow Statement is prepared under indirect method.
16. Contingencies and events occurring after the balance sheet date -NIL.
17. Prior period items amounts to Rs. 6,94,685/-
 VAT refundable written off Rs: 6,13,293
 Water charges & Taxes Rs. 8658 + 7859
 Membership fees arrears Rs. 64875
18. Borrowing Cost: Interest and other cost in connection with the borrowing of funds by the company are recognised as an expense in the period in which they are incurred unless the qualifying assets for its intended use are in progress.
19. Allotment money of Rs.1,11,500 recoverable from share holders remains outstanding for long period
20. Quarterly financial results are published in accordance with the listing agreements:
21. Previous year's figures have been regrouped wherever found necessary.

ANUSH K THOMAS
Managing Director

IYPE MATHEW
Director

As per my report of even date
FOR SUDHIR & KURUVILLA

Chartered Accountants

V. BALACHANDRAN
Company Secretary

THOMAS P KOSHY
Chief Executive

K.C.KURUVILLA (FCA)
Partner (18313)

Camp : Kozhikode
Date : 11-07-2009



QUANTITATIVE DETAILS 2008-09

| | Current Year | | Previous Year | |
|--|--------------------|-----------------------|--------------------|-----------------------|
| | Quantity(kgs) | Value(Rs) | Quantity(kgs) | Value(Rs) |
| a) Opening Stock of Raw Materials | | | | |
| 1. Shrimps | 2745.000 | 289,937.00 | 88.000 | 14,520.00 |
| 2. Other Marine Products | 3037.000 | 99,511.00 | 18739.000 | 763,824.00 |
| | <u>5782.000</u> | <u>389,448.00</u> | <u>18827.000</u> | <u>778,344.00</u> |
| b) Purchase of Raw Materials | | | | |
| 1. Shrimps | 1152886.000 | 138,434,131.00 | 974215.150 | 105,517,168.00 |
| 2. Other Marine Products | 1055378.000 | 38,630,401.00 | 1195932.200 | 61,057,386.00 |
| | <u>2208264.000</u> | <u>177,064,532.00</u> | <u>2170147.350</u> | <u>166,574,554.00</u> |
| c) Purchase of Finished Goods | NIL | NIL | NIL | NIL |
| d) Consumption of Raw Materials | | | | |
| 1. Shrimps | 1148051.000 | 137,607,577.00 | 971558.150 | 105,241,751.00 |
| 2. Other Marine Products | 1057900.000 | 38,716,347.00 | 1211634.200 | 61,721,649.00 |
| | <u>2205951.000</u> | <u>176,323,924.00</u> | <u>2183192.350</u> | <u>166,963,400.00</u> |
| e) Closing Stock of Raw Materials | | | | |
| 1. Shrimps | 7580.000 | 1,116,491.00 | 2745.000 | 289,937.00 |
| 2. Other Marine Products | 515.000 | 13,565.00 | 3037.000 | 99,561.00 |
| | <u>8095.000</u> | <u>1,130,056.00</u> | <u>5782.000</u> | <u>389,498.00</u> |
| f) Opening Stock of Finished Goods | | | | |
| 1. Shrimps | 226894.000 | 41,280,288.00 | 227050.000 | 36,328,088.00 |
| 2. Other Marine Products | 97200.000 | 11,963,595.00 | 82970.000 | 11,072,775.00 |
| | <u>324094.000</u> | <u>53,243,883.00</u> | <u>310020.000</u> | <u>47,400,863.00</u> |
| g) Export Returns | | | | |
| 1. Shrimps | NIL | NIL | NIL | NIL |
| 2. Other Marine Products | 18000.000 | 1,994,736.00 | NIL | NIL |
| | <u>18000.000</u> | <u>1,994,736.00</u> | <u>NIL</u> | <u>NIL</u> |
| h) Production of Finished Goods | | | | |
| 1. Shrimps | 949828.000 | NIL | 877300.260 | NIL |
| 2. Other Marine Products | 592649.000 | NIL | 646789.000 | NIL |
| | <u>1542477.000</u> | <u>NIL</u> | <u>1524089.260</u> | <u>NIL</u> |
| i) Sale of Finished Goods | | | | |
| i) Export : | | | | |
| 1. Shrimps | 849452.000 | 170,030,794.00 | 877456.260 | 142,768,320.00 |
| 2. Other Marine Products | 583101.000 | 81,673,324.00 | 632559.000 | 85,100,691.00 |
| | <u>1432553.000</u> | <u>251,704,118.00</u> | <u>1510015.260</u> | <u>227,869,011.00</u> |
| j) Closing Stock of Finished / Semifinished Goods | | | | |
| 1. Shrimps | 327270.000 | 58,543,749.00 | 226894.000 | 41,280,288.00 |
| 2. Other Marine Products | 124748.000 | 12,807,556.00 | 97200.000 | 11,963,595.00 |
| | <u>452018.000</u> | <u>71,351,305.00</u> | <u>324094.000</u> | <u>53,243,883.00</u> |


CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009

| | (Rs. in Lakhs) | |
|--|----------------|-----------|
| | 2008-2009 | 2007-2008 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit/(loss) before tax & exceptional items | 193.15 | 11.33 |
| Adjustment for: | | |
| Depreciation | 70.15 | 70.23 |
| Interest Expenses | 85.22 | 67.41 |
| Loss on Sale of Vehicle | 1.29 | (0.23) |
| Provision for Gratuity | 0.60 | 10.17 |
| | 157.26 | 147.58 |
| Operating profit before working capital changes | 350.41 | 158.91 |
| Adjustment for: | | |
| Trade Receivables | (32.01) | (33.59) |
| Inventories | (188.72) | (55.91) |
| Other Advances | 2.33 | 36.67 |
| Trade payables | 3.57 | 5.86 |
| | (214.83) | (46.97) |
| Cash generated from operations | 135.58 | 111.94 |
| Gratuity Settlement | (3.90) | (1.91) |
| Cash flow before exceptional items | 131.68 | 110.03 |
| Bad Debts written off | (6.70) | (5.00) |
| Net cash from operating activities | 124.99 | 105.03 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets | (14.80) | (5.49) |
| Capital work in progress | Nil | Nil |
| Subsidy received | Nil | 0.60 |
| Sale of fixed assets | 2.54 | 0.26 |
| Net cash flow from investing activities | (12.27) | (4.63) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Unsecured loan | (100.00) | Nil |
| Secured loan repayment | (6.81) | (20.01) |
| Hire purchase loan | 4.70 | (1.96) |
| Working capital borrowings | 26.03 | (5.23) |
| Interest expenses | (85.22) | (62.41) |
| Net increase/(decrease) in cash and cash equivalents | (48.58) | 5.79 |
| Cash and cash equivalent as at 31st March, 2008 | 50.09 | 44.30 |
| Cash and cash equivalent as at 31st March, 2009. | 1.51 | 50.09 |
| | (48.58) | 5.79 |

Notes: The above cash flow statement has been prepared under the indirect method set out in AS - 3 issued by the Institute of Chartered Accountants of India.

Figures in brackets are outflows

Previous year figures have been regrouped wherever necessary.



Balance Sheet Abstract & Company's General Business Profile
(As per Schedule VI Part(IV) of the Companies Act, 1956)

I. REGISTRATION DETAILS

Registration Details

0 0 6 6 7 4

Balance Sheet date

State

0 9

Date Month Year

3 1 - 0 3 - 2 0 0 9

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)

Public issue

N I L

Bonus issue

N I L

Roght issue

N I L

Private Placement

N I L

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUND

(AMOUNT IN RS. THOUSANDS)

Total Liabilities

1 0 5 6 5 0

SOURCES OF FUNDS

Paid-Up Capital

6 4 8 8 9

Deferred Tax Liability

3 5 4 8

Secured Loans

6 2 3 6 1

APPLICATION OF FUNDS

Net Fixed Assets

2 5 0 1 8

Net Current Assets

6 2 3 6 1

IV. PERFORMANCE OF THE COMPANY (AMOUNT IN RS. THOUSANDS)

Turnover (Gross Revenue)

2 7 1 2 7 3

Profit before Tax

1 9 3 1 5

Earning per Share (in Paise)

1 . 7 7

Total Asset

1 0 5 6 5 0

Reserves & Surplus

2 4 2 8

Uncured Loans

8 3 4 5

Investments

N I L

Accumulate Losses

1 4 7 2 4

Total Expenditure

2 5 2 2 6 8

Profit after Tax

1 1 5 1 9

Dividend

N I L



V. GENERAL NAME OF PRINCIPAL PRODUCT OF THE COMPANY
ITC (HS) Code No. and Description Code

| | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| F | R | O | Z | E | N | | M | A | R | I | N | E | | P | R | O | D | U | C | T | S |
| I | N | C | L | U | D | I | N | G | | I | N | D | I | V | I | D | U | A | L | L | Y |
| Q | U | I | C | K | | F | R | O | Z | E | N | | P | R | O | D | U | C | T | S | . |
| 3 | 2 | - | 1 | 6 | - | 0 | 4 | | | | | | | | | | | | | | |

FOR AND ON BEHALF OF THE BOARD

Kozhikode
11-07-2009

ANUSH K THOMAS
Managing Director



UNIROYAL MARINE EXPORTS LTD.

Regd. Office : 11/19, Vengalam P.O., Kozhikode - 673 303

PROXY FORM

I/we.....
of.....in the district of.....
being a member(s) of the above named Company, hereby appoint Shri.....
of.....in the district of.....
.....or failing him Shri.....of
.....in the district of.....

as my/our proxy to vote for me/us, on my/our behalf at the Seventeenth Annual General Meeting of the Members of the Company to be held at the Registered Office of the Company on Saturday, the 26th September, 2009 at 2.30 p.m. and at any adjournment thereof.

Signed at.....this.....day of.....2009.

Revenue
stamp

Regd. Folio No:

No. of Shares held:

Signature of the Member

The Companies Act, 1956 lays down that an instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting.

.....Cut here.....

UNIROYAL MARINE EXPORTS LTD.

Regd. Office : 11/19, Vengalam P.O., Kozhikode - 673 303

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

Full name of the Member attending (IN BLOCK LETTERS).....

Full Name of the First Holder.....

(To be filled in if the first name Holder does not attend the Meeting)

Name of the Proxy.....

(To be filled in if the Proxy form has been duly deposited with the Company)

I hereby record my presence at the Seventeenth Annual General Meeting of the Members of the Company to be held on Saturday, the 26th September, 2009 at 2.30 p.m. at the Registered Office of the Company.

Regd. Folio No:

No. of Shares held:

Member's/Proxy's Signature

(To be signed at the time of handing over this slip)

Book Post

To

If undelivered please return to:

• **UNIROYAL MARINE EXPORTS. LTD.**

11/19, Vengalam P.O

Chemancherry Panchayat

Kozhikode - 673 303, Kerala