



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.

	Unit	Energy Consumption during	
		2011-12	2010-11
(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.17.97Lac

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 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 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

<u>Name of Directors</u>	<u>Category</u>
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

Details of the attendance of the Directors in their meeting and in the last AGM are given below:

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

Re- appointment of Directors retiring by rotation

1. Shri V.T. John

Directorship and Committeeship held:2

Shareholding 1,25,100 shares of Rs.10/- each constituting 1.93% of the paid up capital.

2. Shri. Varghese Thomas

Directorship and Committeeship held:2

Shareholding 1,25,100 shares of Rs.10/- each constituting 1.93% of the paid up capital.

1V. 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 auditors of co. were also available for discussion. The meetings of the Committee and attendance of the members during 2011-2012 are as follows:

Sl. No.	Name of Directors	Date of Meetings				
		30 th May	30 th Aug	30 th Oct	27 th Jan	30 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 IID 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 Managing Director is for a period of 5 years from 21/08/2012.

The sitting fee payable to the Directors during the year 2011-12 is as follows

<u>Name of director</u>	<u>Amount payable</u>
	Rs.
1. Iype Mathew	23000.00
2. K.C. Thomas	23000.00
3. V.S. Nath Ram	5000.00
4. V. Mohanlal	<u>4000.00</u>
	<u>55000.00</u>

Since there is no remuneration to the non-executive directors, no meeting of the Remuneration Committee was held during the year 2011-2012.

Non-executive Director's share holding:

Mr. K C Thomas	: 2,37,500 shares
Mr. Iype Mathew	: 23,900 shares
Mr. V Mohanlal	: 2,00,100 shares
Mr. Varghese Thomas	: 1,25,100 shares
Mr. V T John	: 1,25,100 shares
Mr. P Shrinivas	: 1,25,000 shares
Mr. V.S. Nath Ram	: 1,00,000 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>
2009	Uniroyal Marine Exports Ltd. at 11/19, Vengalam P.O, Kozhikode, Kerala, 673303.	26th Sept.2009	2.30 pm
2010	“ “	18 th Sept.2010	2.30 pm
2011	“ “	01 st Oct.2011	2.30pm

Company had passed special resolution at the AGM held on 25/09/2004 for transfer of records relating to Register of Members 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 2011-2012, 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, 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 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 31.03.2012.

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 2011-2012 were approved - 13-08-2012.

(i) Date of AGM 15-09-2012

Venue Regd. Office
11/19, Vengalam PO, Chemancherry Panchayath
Kozhikode- 673 303

Time 2.30 p m

(ii) Financial calendar (2011-2012)

AGM September 2012

1st quarterly results August, 2011

2nd quarterly results October, 2011

3rd quarterly results January, 2012

Annual results for the year ending 31-03-2012 by the mid of August 2012.



- (iii) Particulars of Dividend paid : Nil
 (iv) Book Closure : 13-09-2012 to 15-09-2012
 (Both days inclusive)

- (v) Shares are listed at Stock code
 1. Cochin Stock Exchange
 2. Bombay Stock Exchange limited 526113

During the year under review, the Company has paid the Annual Listing fees payable to Bombay Stock Exchange Limited and to Cochin Stock Exchange Ltd.

- (vi) Market Price data:

Appreciable trading of our stocks did not take place in any of the stock exchanges during the previous year.

- (vii) Registrar & Share Transfer/Demat Agents

Company's Share Transfer work and dematerialisation are done by SKDC Consultants Limited. Their office is functioning at Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore-641006. (Phone : 0422-6549995, Fax: 0422-22539837 and email: info@skdc-consultants.com). The Shareholders can contact them for all matters related to their shareholdings.

- (vii) Share transfer system: -

As on March 31, 2012 the shares of the company are in dematerialised 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 March 31, 2012.

- (viii) Share holding pattern as on March 31, 2012

Physical holdings	-	4934000 (75.91%)
Dematerialised mode	-	1566000 (24.09%)

Distribution of share holding as on March 31, 2012

No. of equity shares	No. of members	% to total members	Amount	% to total shares
Up to 5000	17478	95.53	22412200	34.48
5001-10000	422	2.30	3417800	5.26
10001-20000	131	0.72	1953000	3.00
20001-30000	34	0.19	855000	1.32
30001-40000	4	0.02	136000	0.21
40001-50000	136	0.74	6777000	10.43
50001-100000	43	0.24	3704000	5.70
100001 & above	47	0.26	25745000	39.60
Total	18295	100.00	65000000	100.00

**(ix) Categories of shareholders as on 31/03/2012**

Category	No. of shares	% of holding
Promoters	2305900	35.48
NRI (Promoters)	371400	5.71
NRI	600	0.01
FII	Nil	Nil
OCB	Nil	Nil
IFI	Nil	Nil
IMF	Nil	Nil
Bank	300	0.01
Employees	4000	0.06
Bodies Corporate	54120	0.83
Public	3763680	57.90
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, Calicut 673 303. Kerala

(xii) Address for correspondence: -

Uniroyal Marine Exports Limited
11/19, Vengalam P O,
Calicut 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 personnel 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 March 31, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedure 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 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
Reg.No.004177S

Place: Kozhikode
Date : 13.08.2012

K.C.Kuruvilla (FCA)
Partner (M.No.018313)

**SUDHIR & KURUVILLA**

Chartered Accountants

41/3615 ,Cyber Square Building

Cochin-682 018

**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, 2012 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 and as annexure by the Compliance Certificate.
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 and 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 and 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, 2012 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 in *Notes on Account 35(g)* regarding non funding of gratuity plan, 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, 2012
- (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
Reg.No.004177S

Kozhikode
Date :13.08.2012

K. C. KURUVILLA, FCA
Partner
(18313)

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 generally 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 disposed small portion of land during the year, the profit of which is disclosed in Note No. 17.

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. 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 purchases 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.
- iv. 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.
- v. 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.
- vi. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- vii. Maintenance of cost records was not mandatory for the company.
- viii. 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, Cess and other material statutory dues applicable to it.



- b. According to the information and explanations given to us, no undisputed amounts in respect of Income-tax, Sales-tax, Wealth Tax, Service tax, Customs Duty, Excise Duty and Cess were in arrears as at 31st March, 2012 for a period more than six months from the date they became payable.
- c. Details of Dues of Income Tax , Sales Tax , Wealth Tax, Service Tax ,Custom Duty, Excise Duty and cess which have not been deposited as at March 31, 2012 on account of disputes are given below:

Name of the Statute	Nature of dues	Amount (Rs in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Applicable to various states	Sales Tax	10.86	Assessment Year 2008 -09	Deputy Commissioner

- ix. In our opinion, the company does not have accumulated losses, and has not incurred cash losses during the financial year covered by our audit. In the immediately preceding year there was accumulated loss but there was no cash loss.
- x. 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 banks.
- xi. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xii. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
- xiii. 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.
- xiv. 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.
- xv. 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.



- xvi. 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.
- xvii. 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 .
- xviii. The Company has not issued any debentures during the year.
- xix. The Company has not raised money by way of public issues during the year.
- xx. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations 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
Reg.No.004177S

Kozhikode
Date: 13.08.2012

K. C. KURUVILLA, FCA
Partner
(18313)

BALANCE SHEET AS AT 31st March, 2012

	Particulars	Note	Current Year	Previous Year
I.	Equity and Liabilities			
(1)	Shareholder's Funds			
(a)	Share Capital	1	64888500	64888500
(b)	Reserves and Surplus	2	2549683	(6940242)
	Sub- Total		67438183	57948258
(2)	Non-Current Liabilities			
(a)	Long-term borrowings	3	7545703	8014383
(b)	Deferred tax liabilities (Net)		Nil	Nil
(c)	Other Long term liabilities		Nil	Nil
(d)	Long term provisions	4	3219994	3156217
	Sub- Total		10765697	11170600
(3)	Current Liabilities			
(a)	Short-term borrowings	5	Nil	27266651
(b)	Trade payables	6	28596994	27016975
(c)	Other current liabilities	7	441927	534073
(d)	Short-term provisions	8	3425000	1050000
	Sub- Total		32463921	55867699
	Total		110667801	124986557
II	Assets			
(1)	Non-current assets			
(a)	Fixed assets	9		
(i)	Tangible assets		19351343	21130251
(ii)	Intangible assets		Nil	Nil
(iii)	Capital work-in-progress		Nil	Nil
(b)	Non-current investments		Nil	Nil
(c)	Deferred tax assets (net)		489518	469128
(d)	Long term loans and advances	10	2663999	1510303
(e)	Other non-current assets		Nil	Nil
	Sub- Total		22504860	23109682
	Current assets			
(a)	Current investments		Nil	Nil
(b)	Inventories	11	77994816	77141540
(c)	Trade receivables	12	6511283	18259995
(d)	Cash and cash equivalents	13	1584131	1387500
(e)	Short-term loans and advances	14	1701027	4859624
(f)	Other current assets	15	371684	228216
	Sub- Total		88162941	101876875
	Total		110667801	124986557

Significant Accounting Policies

A

As per our Report of even date
For Sudhir & Kuruvilla
Chartered Accountants
Reg.No.004177S

Anush K Thomas
Managing Director
Place : Kozhikode
Date : 13-08-2012

Iype Mathew
Chairman

V.Balachandran
Company Secretary

Thomas P Koshy
Chief Executive Officer

K.C. Kuruvilla (FCA)
Partner (M.No18313)



STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2012

	Particulars	Note	Current Year	Previous Year
I.	Revenue from operations	16	348244837	254465863
II.	Other Income	17	321886	143701
III.	Total Revenue (I +II)		348566723	254609564
IV.	Expenses:			
	Cost of materials consumed	18	243013576	173851485
	Purchase of Stock-in-Trade		Nil	Nil
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	424009	550381
	Employee benefit expense	20	11849648	9640451
	Financial costs	21	8465987	6704763
	Depreciation and amortization expense	9	2486680	4083673
	Other expenses	22	67770886	54270451
	Total Expenses (IV)		334010786	249101204
V.	Profit before exceptional and extraordinary items and tax (III- IV)		14555937	5508360
VI.	Exceptional Items		Nil	Nil
VII.	Profit before extraordinary items and tax (V - VI)		14555937	5508360
VIII.	Extra ordinary items and Prior Period Income/(Expenses)	23	(114695)	(438180)
IX.	Profit before tax (VII - VIII)		14441242	5070180
X.	Tax expense:			
	(1) Current tax		(3425000)	(1050000)
	(2) Deferred tax		20391	(2602852)
	(3) MAT Credit		(1546708)	1731234
XI.	Profit (Loss) for the period, from continuing operations		9489925	3148562
XII.	Profit/(Loss) from discontinuing operations		Nil	Nil
XIII.	Tax expense of discontinuing operations		Nil	Nil
XIV.	Profit/(Loss) from Discontinuing operations (XII - XIII)		Nil	Nil
XV.	Profit/(Loss) for the period (XI+XIV)		9489925	3148562
XVI.	Earning per equity share:			
	(1) Basic		1.46	0.49
	(2) Diluted		Nil	Nil

Significant Accounting Policies

A

As per our Report of even date

For Sudhir & Kuruvilla

Chartered Accountants, Reg.No.004177S

Anush K Thomas
Managing Director
Place : Kozhikode
Date : 13-08-2012

Iype Mathew
Chairman

V.Balachandran
Company Secretary

Thomas P Koshy
Chief Executive Officer

K.C. Kuruvilla (FCA)
Partner (M.No 18313)



Notes Forming Part of Accounts for the year ended 31st March, 2012

Note 1: Share Capital

	Particulars	As at 31 March 2012		As at 31 March 2011	
		Number	Amount	Number	Amount
a)	Authorised 8000000 Equity Shares of Rs.10/- Each	8000000	80000000	8000000	80000000
b)	Issued, Subscribed & Paid up Subscribed and fully paid up Equityshares 64,77,700 Equity Shares of Rs.10/- Each	6477700	64777000	6477700	64777000
c)	Subscribed but not fully Paid up 22,300 partly paid up Equity shares	22300	111500	22300	111500
		6500000	64888500	6500000	64888500

d) Reconciliation of Number of Shares Outstanding

Particulars	Equity Shares		Equity Shares	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year including 22,300 partly paid shares	6500000	65000000	6500000	65000000
Shares Issued during the year	Nil	Nil	Nil	Nil
Shares bought back during the year	Nil	Nil	Nil	Nil
Shares outstanding at the end of the year	6500000	65000000	6500000	65000000

e) Shareholding more than 5% of the total share holding

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
NA	NA	NA	NA	NA

**f) Shares held by holding company/subsidiary/associates**

Name of Shareholder	As at 31 March 2012	As at 31 March 2011
Name of Company	Nil	Nil

g) Calls Unpaid

	As at 31 March 2012	As at 31 March 2011
By Directors	Nil	Nil
By Officers	Nil	Nil
By others	22300	111500

The company has issued only one class of shares referred to as Equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share.

NOTE 2: RESERVES & SURPLUS

Particulars	As at 31 March 2012	As at 31 March 2011
a) Capital Reserves		
Opening Balance	2427842	2427842
(+) Current Year Transfer	Nil	Nil
(-) Written Back in Current Year	Nil	Nil
Closing Balance	2427842	2427842
b) General Reserve Opening Balance	Nil	Nil
(+) Current Year Transfer	Nil	Nil
(-) Written Back in Current Year	Nil	Nil
Closing Balance	Nil	Nil
c) Surplus Opening balance	-9368084	-12516646
(+) Net Profit/(Net Loss)		
For the current year	9489925	3148562
(+) Transfer from Reserves	Nil	Nil
(-) Proposed Dividends	Nil	Nil
(-) Tax on Dividend	Nil	Nil
(-) Interim Dividends	Nil	Nil
(-) Transfer to Reserves	Nil	Nil
Closing Balance	121841	-9368084
Total	2549683	-6940242

**NOTE 3 : Long Term Borrowings**

	Particulars	As at 31 March 2012	As at 31 March 2011
	<u>Secured</u>		
a)	Term Loans		
	Form Banks	Nil	Nil
	Form others	Nil	Nil
		Nil	Nil
	<u>Unsecured</u>		
a)	Loans and advances from related parties		
	Loan From Directors	Nil	497100
b)	Long term maturities of finance lease obligations		
	Hire Purchase Loans	512308	563988
c)	Other Long Term Liabilities	7033395	6953295
		7545703	8014383

**NOTE 4: Long Term Provisions**

	Particulars	As at 31 March 2012	As at 31 March 2011
a)	Provision for employee benefits -Gratuity	3219994	3156217
	Total	321994	3156217

NOTE 5: Short Term Borrowings

	Particulars	As at 31 March 2012	As at 31 March 2011
a)	Secured Loan Repayable on demand Federal Bank Ltd.**	Nil	27266651
	Total	-	27266651

Export packing credit limit of Rs. 3 Crores secured by first charge on all the goods to be exported and the whole of the company's stock of marine products and charge by way of hypothecation on land, building, machineries and equipments, and also
**** personal guarantee of Mr. K C Babu. Repayable on demand**

FDBP discounted as on 31.3.2012 has been secured against document of title to goods, evidencing export against LC and by way of hypothecation on land, building, machineries and equipments, and also personal guarantee of Mr. K C Babu.
**** Repayable on demand.**

NOTE 6: TRADE PAYABLES

	Particulars	As at 31 March 2012	As at 31 March 2011
a)	Trade Payables		
	- Due to Micro and Small enterprises	1148644	868598
	- Others**	27448350	26148377
	Total	28596994	27016975

**** Others includes an amount of Rs. 85000 (Previous year Rs. 62000) payable to Director for professional services provided by him**

**NOTE 7: Other Current Liabilities**

	Particulars	As at 31 March 2012	As at 31 March 2011
a)	Current Maturities of Long Term Debt - Payable towards Hire Purchase	257300	462949
b)	Other Payables For Employees Benefits - Contribution to PF - ESI Payable	149239 35388	62840 8284
	Total	441927	534073

NOTE 8: Short Term Povisions

	Particulars	As at 31 March 2012	As at 31 March 2011
a)	Provision for employee benefits	Nil	Nil
b)	Others - Proposed Dividend - Tax on Dividend - Provision for Taxation	Nil Nil 3425000	Nil Nil 1050000
	Total	3425000	1050000

Note 9: Tangible and Intangible Assets


	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block			
		Balance as at 1 April 2011	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Balance as at 31 March 2012	Balance as at 1 April 2011	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 March 2012	Balance as at 1 April 2012	Balance as at 31 March 2012
a	Tangible Assets												
	Land	2623406	(219880)			2403526					2623406	2403526	
	Factory Buildings	21058184				21058184	11277874	703343		11981217	9780310	9076967	
	Plant and Machinery	80467906	547153			81015059	77820574	230229		78050803	2647332	2964256	
	Processing Equipments	4769249	258226			5027475	2491156	234466		2725622	2278093	2301853	
	Laboratory Equipments	260664				260664	189239	12382		201621	71424	59042	
	Office equipment	776277	12757			789034	382854	37335		420189	393423	368845	
	Electrical Fittings	3199558				3199558	2479923	151979		2631902	719634	567655	
	Furniture and Fixtures	427354	62770			490124	379019	29193		408212	48335	81912	
	Vehicles(Motor Vehicles)	10021753				10021753	8868430	892732		9761162	1153323	260591	
	Motor Car	1930091				1930091	557235	183359		740594	1372856	1189497	
	Library	15751				15751	10746	748		11494	5005	4257	
	Computer	813730	46746			860476	776620	10914		787534	37110	72942	
	Others (specify nature)									0			
	Total	126363920	707772	-	-	127071692	105233669	2486680	-	-	107720349	21130251	19351343
b	Intangible Assets	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
	Total	-	-	-	-	-	-	-	-	-	-	-	
c	Capital Work In Progress	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
	Total	-	-	-	-	-	-	-	-	-	-	-	
d	Intangible assets under Development												
	Total	-	-	-	-	-	-	-	-	-	-	-	

**Note 10: Long Term Loans & Advances**

	Particulars	As at 31 March 2012	As at 31 March 2011
a.	Capital Advances	Nil	Nil
b.	Security Deposits		
	Unsecured, considered good	1332731	1332731
c.	Loans and advances to related parties	Nil	Nil
d.	Other loans and advances		
	Unsecured, considered good		
	Advance Tax	1331268	177572
	Total	2663999	1510303

Note 11: Inventories

	Particulars	As at 31 March 2012	As at 31 March 2011
a.	Raw Materials and components	3028833	804840
b.	Finished goods	73493321	73917330
c.	Stores and spares **	307477	245123
d.	Consumables	181863	752366
e.	Packing Material	983322	1421881
	Total	77994816	77141540

Mode of Valuation: inventories have been valued at lower of cost or net realisable value.

As taken valued and certified by the Management

*** Stores and spares have been valued at cost*

Note 12: Trade Receivables

	Particulars	As at 31 March 2012	As at 31 March 2011
a.	Unsecured, considered good for a period exceeding six months from the date they are due for payment	Nil	Nil
b.	Other Trade Receivables ** (Ref: Note 3)		
	Unsecured, considered good	6511283	18259995
	Total	6511283	18259995

**Trade Receivable stated above include debts due by:**

	Particulars	As at 31 March 2012	As at 31 March 2011
	Directors *	Nil	Nil
	Other officers of the Company *	Nil	Nil
	Firm in which director is a partner *	Nil	Nil
	Private Company in which director is a member	Nil	Nil
	Total	Nil	Nil

Note 13: Cash & Cash equivalents

	Particulars	As at 31 March 2012	As at 31 March 2011
a.	Balances with banks		
	i) more than 12 months maturity	1046895	1046895
	ii) in current accounts	102000	68473
b.	Cash on hand	435237	272132
	Total	1584131	1387500

Note 14: Short term loans and advances

	Particulars	As at 31 March 2012	As at 31 March 2011
a.	Loans and advances to related parties		
	Unsecured, considered good	Nil	Nil
b.	Others		
	Unsecured, considered good		
	i) VAT Receivable	229689	Nil
	ii) MAT Credit Receivable	184526	1731234
	iii) Advances recoverable in cash or in kind	1286812	3128390
	Total	1701027	4859624

***Loan and advances to related parties**

	Particulars	As at 31 March 2012	As at 31 March 2011
	Directors *	Nil	Nil
	Other officers of the Company *	Nil	Nil
	Firm in which director is a partner *	Nil	Nil
	Private Company in which director is a member	Nil	Nil
	Total	Nil	Nil

**Note 15: Other Current Assets**

	Particulars	As at 31 March 2012	As at 31 March 2011
	Unsecured, considered good		
	i) HP Interest Suspense	63265	Nil
	ii) Interest Receivable	308419	228216
	Total	371684	228216

Note 16: Revenue from operations

	Particulars	As at 31 March 2012	As at 31 March 2011
	Sale of products (Export Sales at C&F rates)	315948393	226955650
	Other operating revenues	32296444	27510213
	Less: Excise duty	Nil	Nil
	Total	348244837	254465863

Note 17: Other Income

	Particulars	As at 31 March 2012	As at 31 March 2011
	Surplus on Sale of Fixed Assets	197120	Nil
	Other non-operating income	124766	143701
	Total	321886	143701

Note 18: Cost of Material Consumed

	Particulars	As at 31 March 2012	As at 31 March 2011
	Opening Stock		
	Raw Materials	804840	1334984
	Packing Materials	1421881	891579
	Consumables	752366	712435
		2979087	2938998
	Add: Purchases during the year		
	Raw Materials	232929750	163386491
	Packing Materials	7983408	6905333
	Consumables	3315349	3599750
		244228507	173891574
	Less: Closing Stock		
	Raw Materials	3028833	804840
	Packing Materials	983322	1421881
	Consumables	181863	752366
		4194018	2979087
	Total	243013576	173851485

**Note 19: Changes in inventories**

	Particulars	As at 31 March 2012	As at 31 March 2011
	Opening Stock		
	Finished Goods	73917330	74467711
	Closing Stock		
	Finished Goods	(73493321)	(73917330)
	Total	424009	550381

Note 20: Employee Benefits Expense

	Particulars	As at 31 March 2012	As at 31 March 2011
	Salaries and Wages	8954008	7433736
	Contribution to provident and other fund	1277514	934432
	Gratuity	308630	263730
	Staff welfare expenses	1309496	1008553
	Total	11849648	9640451

Note 21: Finance Cost

	Particulars	As at 31 March 2012	As at 31 March 2011
	Interest expense	5850375	5744370
	Other borrowing costs	2011416	960393
	Net loss on foreign currency transactions	604196	Nil
	Total	8465987	6704763

**Note 22: Other Expenses**

Particulars		As at 31 March 2012		As at 31 March 2011
Shipping Freight & Expenses		21684079		17806060
Stores & Spares Consumed		124700		106102
Processing Charges		6954024		2615176
Power & Fuel		13691513		12343917
Repairs & Maintenance				
Building	145854		252910	
Plant & Machinery	1688100		1164344	
Others	789742	2623696	584580	2001834
Packing Expenses		144889		21413
Purchase Expenses		15284290		13033730
Audit Fee (22a)		88352		87399
Commission & Brokerage		1721118		583856
Insurance		448921		306785
ECGC Premium		182278		335410
Printing & Stationery		326775		141691
Rates & Taxes		662169		515140
Rent		148500		104000
Travelling & Conveyance		1210977		1145805
Other Administrative Expenses		2474604		3122134
Total		67770886		54270451

Note 22a: Payment to Auditor

Particulars	As at 31 March 2012	As at 31 March 2011
Audit Fee	60000	40000
Tax Audit	10000	20000
Certifications	12620	19512
Reimbursement of Expenses	5732	7887
Total	88352	87399

Note 23: Extra ordinary and Prior Period Items

Particulars	As at 31 March 2012	As at 31 March 2011
Extra ordinary items	Nil	Nil
Prior Period Expenses	114695	41895
Loss on goods returned after balance sheet date	Nil	396285
Total	114695	438180

**Note 24: Earning per share**

	Particulars	As at 31 March 2012	As at 31 March 2011
a)	Number of shares (Basic and Diluted) profit including extraordinary and prior period items)	6500000 14441242	6500000 5070180
	Basic EPS (Rs.)	2.22	0.78
b)	(Basic and Diluted) profit excluding extraordinary and prior period items Basic EPS (Rs.)	14555937 2.24	5508360 0.85
c)	Number of shares used in computing earning per share including 22300 partly paid up Profit After Tax Basic EPS (Rs.)	6488850 9489925 1.46	6488850 3148562 0.49

Note 25: Imported/Indigenous value of Materials and Stores consumed

Particulars	% tage	As at 31 March 2012	% tage	As at 31 March 2011
Imported:				
<i>Raw Materials</i>	Nil	Nil		Nil
<i>Spare</i>	Nil	Nil		Nil
Indigenous:				
<i>Raw Materials</i>	Nil	Nil		Nil
<i>Spare</i>	Nil	Nil		Nil
	Nil	Nil	Nil	Nil

Note 26: Value of Imports on CIF Basis

Particulars	As at 31 March 2012	As at 31 March 2011
Raw Materials	Nil	Nil
Components and Spare Parts	Nil	Nil
Capital Goods	Nil	Nil
	-	-

**Note 27: Expenditure in Foreign Currency**

Particulars	As at 31 March 2012	As at 31 March 2011
Royalty, Know How Fee	Nil	Nil
Professional and Consultancy	Nil	Nil
Interest	Nil	Nil
Other Matters		
1. Sales Commission	1721118	583856
2. Foreign Tour	76350	33278
	1797468	617134

Note 28: Earnings in Foreign Exchange

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	(Rs.in Crores)	
Exports of Goods on FOB Basis	30.09	21.18
Royalty, Know- How, Professional Charges	Nil	Nil
Interest and Dividend	Nil	Nil
Other Income	Nil	Nil

Note 29: 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. Segment has been identified in time with AS 17 on Segment Reporting. Operation of the company is at present only in India within a single geographical segment.

Note 30: Previous year figures

The financial statements for the previous year ended March 31, 2011 had been prepared as per the then applicable, Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the current year ended March 31, 2012 have been prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this years classification. The adoption of revised schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

**Note 31: Contingent Liabilities and commitments**

Contingent liabilities and commitments (to the extent not provided for)	For the year ended 31 March 2012	For the year ended 31 March 2011
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt		
(b) Guarantees		
1. In favour of Spl.Tahsildar	127765	127765
2. In favour of KSEB	888300	888300
(c) Other money for which the company is contingently liable	49205636	24926725
	50221701	25942790
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil
(b) Uncalled liability on shares and other investments partly paid	Nil	Nil
(c) Other commitments	Nil	Nil
	50221701	25942790

Note: 32 Related Parties Disclosure**Relationship**

- 1 Baby Marine Eastern Exports
- 2 Narayanan & Co.
- 3 Ramanath & Co.
- 4 M/s.Tharian & Iype
- 5 Pranavam Arts
- 6 Thomsun Eletronics
- 7 Thomsun Supermarket
- 8 Esat Fish Private Limited
- 9 Laxmi Agencies
- 10 SAM property developers and Hotels (p) Ltd

Note: Related party relationship is as identified by the company and relied upon by the auditors.
Transaction with related parties:- Ramanath & Co. Commission on Exports Rs.175275

33.In the opinion of the Board of Directors, all items of Current Assets, Loans and Advances continue to have a realisable value of at least the amounts at which they are stated in the Balancesheet unless otherwise stated.

34.Balances of Trade Receivables, Loans & Advances and Trade Payables are subject to confirmation and are as per books of account only. However, in the opinion of management, the reconciliation will not have any material impact on profitability of the company for the year.

**NOTES ON ACCOUNTS****35. Significant Accounting Policies****a) Basis of preparation:-**

Financial statements are prepared to comply in all material respects with the notified Accounting Standards under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 ('the Act'). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The figures has not been rounded off.

b) Fixed Assets & Depreciation:-

Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment losses. Cost comprises the purchase price and any directly attributable costs of bringing the assets to their working condition for its intended use.

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 had 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:-

a. Finished goods are valued at cost or net realizable 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.

b. 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. We are informed as the company was hither to having business loss of earlier years, and on account of shortage in working capital, the company has not funded defined benefit plans as mandated in AS 15 'Employees Benefit' issued by ICAI.

h) Borrowing costs:-

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset were capitalized as part of the cost of that asset till such time the asset is ready for its intended use.

i) Impairment of Assets:-

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. No such adjustments have been made during the year under consideration. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. If the carrying amount of the assets exceeds its recoverable amount, an impairment loss is recognized in the Profit and Loss Account to the extent the carrying amount exceeds the recoverable amount.

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) Use of Estimates:-

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

n) Taxation

Current Income Tax – Tax on Income for current period is Rs.4752508. MAT credit of earlier year availed u/s. 115 JB of the IT Act for the period is Rs.15,46,708.



o) Deferred Tax Working:-

	As on 01.04.2011		For the year	As on 31.03.2012	
Deferred Tax Liability					
Depreciation Fixed Asset net of land as on 31.3.2011- Companies Act	18506846			16947818	
Less: WDV as per IT	16730821			15168006	
	1776025	603671	1287	1779812	604958
Deferred Tax Asset:-					
Provision for Gratuity	3156217	1072798	21678	3219994	1094476
Unabsorbed Depreciation		1072798	21678		1094476
		469127	20391		489518

p) 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 are dealt in the Profit & Loss Account whenever material.

q) 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.

36. Sale of DEPB Licence is accounted on Realization Basis.**37. Payment made to Directors**

	<u>As at 31.3.2012</u>	<u>As at 31.3.2011</u>
Salary to Managing Director	1,80,000	1,80,000
House Rent Perquisites	72,000	72,000
	<hr/> 2,52,000	<hr/> 2,52,000
Travelling Expenses incurred by Directors	35,799	54,383
Travelling Expenses-Foreign Tour	1,47,447	Nil
Sitting Fee to Directors	55,000	52,000
Professional charges for IT expenses	25,000	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.

**38. 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	1277 MT	1379 MT

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

Escort Packagings	7,88,930	6,59,957
Pragati Print Pack Ltd	3,59,714	---
Rohini Plasto Pack	----	1,45,903
	-----	-----
	<u>11,48,644</u>	<u>8,05,860</u>

40. Unsecured Loan:

From Directors	-----	4,97,100
From Firms in which Directors are included	<u>70,33,395</u>	<u>69,53,295</u>
	<u>70,33,395</u>	<u>74,50,395</u>

41. Key Management Personnel:

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

Nature of transactions with related parties:

	Directors	Key Management Personnel	Firms/ Companies in which Directors are Interested
Remuneration - MD	2,52,000	2,76,000	
Sitting fee (Directors)	55,000	NIL	
Travelling Expenses	35,700	51,674	
Commission on Exports Sale to Ramnath & Co.			1,75,275
Loan Transfer\ Repayment	(-)4,97,100		(+)4,97,100



42. 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.

43. Cash Flow Statement is prepared under indirect method.

44. Borrowing Cost: Interest and other cost in connection with the borrowing of funds by the company are recognized as an expense in the period in which they are incurred unless the qualifying assets for its intended use are in progress.

45. Allotment money of Rs. 1, 11,500 recoverable from 22,300 partly paid share holders remains outstanding for long period.

46. Quarterly financial results are published in accordance with the listing agreements.

Anush K. Thomas
Managing Director

Iype Mathew
Chairman

As per our report of even date
For Sudhir & Kuruvilla
Chartered Accountants
Reg.No.004177S

V. Balachandran
Company Secretary

Thomas P Koshy
Chief Executive Officer

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

Place : Kozhikode
Date: 13-08-2012



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs. in lakhs)

	<u>2011-12</u>	<u>2010-11</u>
A. Cash Flow From Operating Activities		
Net Profit / (Loss) before tax and exceptional items	145.56	55.08
<i>Adjustments for:</i>		
Depreciation	24.87	40.84
Interest Expense	84.66	67.05
Exceptional Items	(1.14)	(4.38)
Provision for Gratuity	<u>3.08</u>	<u>2.64</u>
<i>Operating Profit before Working Capital Changes</i>	257.03	161.23
<i>Adjustments for:</i>		
Trade Receivables	117.49	(71.74)
Inventories	(8.53)	5.02
Other Advances	18.61	(22.64)
Trade Payable	15.80	65.94
Other current liabilities	<u>(0.92)</u>	<u>Nil</u>
<i>Cash generated from operations</i>	399.48	137.81
Gratuity Settlement	(2.45)	(3.07)
Direct Taxes (Net of Advances)	<u>(25.96)</u>	<u>(10.50)</u>
<i>Cash flow before exceptional items</i>	<u>371.07</u>	<u>124.24</u>
Bad Debts written off	-	(4.13)
Net Cash from Operating Activities	<u>371.07</u>	<u>120.11</u>
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(9.27)	(34.78)
Sale of Fixed Assets	<u>2.19</u>	<u>Nil</u>
	(7.08)	(34.78)
Net Cash from Investing Activities	<u>(7.08)</u>	<u>(34.78)</u>
C Cash Flow from Financing Activities		
Unsecured Loan	Nil	Nil
Secured Loan repayment	Nil	Nil
Hire purchase Loan	(4.69)	(4.63)
Working Capital Borrowings (Repayment)	(272.68)	(24.31)
Interest expense	<u>(84.66)</u>	<u>(67.05)</u>
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	<u>1.96</u>	<u>(10.66)</u>
Cash & cash equivalents as at 31st March 2011	3.41	14.07
Cash & cash equivalents as at 31st March 2012	<u>5.37</u>	<u>3.41</u>
	<u>1.96</u>	<u>(10.66)</u>



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.

For SUDHIR & KURUVILLA
Chartered Accountants
Reg No:004177S

Place :Kozhikode
Date: 13.08.2012

K. C. KURUVILLA FCA
Partner (M.No.18313)



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 Twentieth Annual General Meeting of
the Members of the company to be held at the Registered Office of the Company on Saturday, the
15th September, 2012 at 2.30 p.m. and at any adjournment thereof.
Signed atthis.....day of.....2012.

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 Twentieth Annual General Meeting of the Members of the
Company to be held on Saturday, the 15th September, 2012 at 2.30 p.m. at the Registered Office of the
Company.

Regd. Folio No:

Member's/Proxy's Signature

No. of Shares held:

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

Uniroyal Marine Exports Ltd.
11/19, Vengalam.P.O
Chemancherry Panchayat
Kozhikode - 673 303, Kerala