



## **UNIROYAL MARINE EXPORTS LTD.**

<b>CHAIRMAN</b>	IYPE MATHEW
<b>MANAGING DIRECTOR</b>	ANUSH K THOMAS
<b>DIRECTORS</b>	K.C. THOMAS V.MOHANLAL VARGHESE THOMAS V.T. JOHN V.S.NATH RAM P.SHRINIVAS
<b>CHIEF EXECUTIVE</b>	THOMAS P KOSHY
<b>COMPANY SECRETARY</b>	V.BALACHANDRAN
<b>AUDITORS</b>	SUDHIR & KURUVILLA, Chartered Accountants Kochi - 682018
<b>BANKERS</b>	1. THE FEDERAL BANK LTD Nadakkavu West Kozhikode - 673 011  2. UCO Bank Kozhikode - 673 001
<b>REGISTERED OFFICE</b>	11/19, Vengalam P.O Chemancherry Panchayat Kozhikode Dist. Kerala - 673303 INDIA. Ph - 0496 - 2633781, 2633782
<b>REGISTRARS &amp; SHARE TRANSFER AGENTS</b>	S K D C Consultants Limited Kanapathy Towers, 3 <sup>rd</sup> Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore-641006 (Phone: 0422-6549995 Fax: 0422-22539837)
<b>ISIN</b>	NSDL & CDSL - INE602H01010



## NOTICE

Notice is hereby given that the Nineteenth 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 October 01, 2011 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, 2011 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. P. Shrinivas who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri. V.S. NATH RAM who retires by rotation and, being eligible, offers himself for re-appointment.
4. To re-appoint M/s Sudhir & Kuruvilla, Chartered Accountants, Kochi, as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

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

Kozhikode,  
31-08-2011

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.) KOZHICODE - 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 September 29, 2011 to October 01, 2011 (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. S K D C Consultants Ltd, Kanapathy Towers, 3<sup>rd</sup> Floor, 1391/A1, 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 the Stock Exchange, a brief resume of directors who are proposed to be re-appointed at this meeting is given below:

**Shri. P. Shrinivas**

Date of birth	- 01/12/1936
Date of appointment	- 11/12/1992
List of other Directorship held	- 2
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. P. Shrinivas is a founder partner of the Thomsun Group, Dubai, He is also a director of Sam Property Developers & Hotels (P) Ltd. and East Fish (P) Ltd, Ajman, UAE. He is a dynamic business entrepreneur.



**Shri. V.S.Nath Ram**

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

Shri.V.S.Nath Ram,B.C.om.is a businessman.He is an agent of India for a number of buyers of Marine Products like M/s.Hoko Fishing CO.Japan,M/s.Gelazur,France M/s.Compesca S.A,Spain,M/s.Pesclaudio S p a. Italy and M/s.Farport International Inc, U S A.He is a dynamic business enterpreneur.

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

Kozhikode,  
31-08-2011

V. BALACHANDRAN  
Company Secretary.

## DIRECTORS' REPORT

Dear Member,

The Directors have pleasure in presenting Annual Report of the Company,together with the Audited Accounts,for the year ended March 31,2011.

**Financial Results.**

	Rs. in lakhs	
	2010-2011	2009-2010
Sales	2543.23	1993.76
Profit before tax	50.71	32.03
Profit after tax	31.49	22.08

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

**Operation Analysis**

The Indian economy is estimated to have registered a broad-based growth of about 8.6% facilitated by policy stimulus and encouraging agricultural output.With the above background ,our sales increased by 27.56% over the previous year in value terms and 33.55% in terms of volume. Consequently,the Company generated a net profit of Rs.31.49 lakh after providing Rs.19.22 lakh for taxes(including deferred tax) and Rs.40.84 lakh for depreciation. Our company earned Rs.91.53 lakh cash profit during the current year.Earning per share has increased from Rs.0.34 toRs.0.49 in the year under review.



### **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>	
		2010-2011	2009-2010
<b>(A) Power and Consumption</b>			
1. Electricity			
i) Purchased Units	KWH	1787335	2204436.00
ii) Total Amount	Rs.	9390974	10700151.00
iii) Rate per unit	Rs.	5.25	4.85
2. Own Generation through Diesel Generator			
i) Unit	KWH	40156	31937.00
ii) Unit per Ltr. of Diesel Oil	KWH	2.51	2.80
iii) Cost per Unit	Rs.	17.77	11.64
<b>(B) Consumption per Unit of Production</b>			
a) Electricity	KWH	1.30	2.29
b) Diesel	Ltrs.	0.03	0.41

### **FOREIGN EXCHANGE EARNINGS AND OUTGO**

- i) Foreign Exchange earned during the year (On FOB basis) - Rs. 21,17,51,234
- ii) Foreign Exchange Outgo - Rs. 617134

### **PARTICULARS OF EMPLOYEES**

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

### **DIRECTORS**

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

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

**AUDITORS**

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

Qualification Auditors Report: The Auditors have stated in their report for the year ended March 31, 2011 that the Company has not set apart and invested Gratiuity Liability. Necessary steps 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, 2011 and of the profit for the year ended March 31, 2011
- (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 shareholders. The Directors also acknowledge the contribution made by employees at all level.

For and on behalf of the Board of Directors

Kozhikode,  
31-08-2011

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

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 83.

**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, 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 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**

<b><u>Name of Directors</u></b>	<b><u>Category</u></b>
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 and Attendance of each Director at the Board and the last Annual General Meeting:**

**During the year 2010-2011, your Board met 7 times. They were on-**

1. 31-05-2010
2. 26-07-2010
3. 30-07-2010
4. 29-10-2010
5. 21-01-2011
6. 05-03-2011
7. 31-03-2011



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 / Committeeship	
		<u>Board Meeting</u>	<u>AGM</u>	<u>Directorship</u>	<u>Committeeship</u>
1. Iype Mathew	Non-Executive Chairman		Yes	Nil	Nil
2. Anush K Thomas	Executive		Yes	Nil	Nil
3. K.C. Thomas	Non-Executive		Yes	Nil	Nil
4. V. Mohanlal	Non-Executive		No	2	Nil
5. V.S.Nath Ram	Independent Non-Executive		Yes	Nil	Nil
6. V.T. John	"		No	2	Nil
7. Varghese Thomas	"		No	1	Nil
8. P. Shrinivas	"		No	2	Nil

#### **Re-appointment of Directors retiring by rotaion**

1. Shri.P.Shrinivas

Directorship and Committeeship held : 2

Share holding : 1,25,000 shares of Rs.10/- each constituting 1.93% of the paid up capital

2. Shri.V.S.Nath Ram

Directorship and Committeeship held : Nil

Share holding : 100000 shares of Rs.10/- each constituting 1.55% 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 2010-2011 are as follows:

Sl.No.	Name of Directors	Date of Meetings				
		25 th July	29th July	28thOctober	20th Jan	30th 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 Managing Director is for a period of 5 years from 21/08/2007 .

The sitting fee to the Directors during the year 2010-2011 is as follows

<u>Name of director</u>	<u>Amount</u> Rs.
1. Iype Mathew	21,000.00
2. K.C. Thomas	21,000.00
3. V.S. Nath Ram	6,000.00
4. V. Mohanlal	4,000.00
	52,000.00

Since there is no remuneration to the non-executive Directors, no meeting of the Remuneration Committee was held during the year 2010-2011.

### **Non-executive Director's share holding :-**

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

AGM/Year	Venue	Date	Time
2008	Uniroyal Marine Exports Ltd, 11/19, Vengalam P.O, Kozhikode - Kerala 673303	27th Sept. 2008	2.30 p m
2009	" "	26th Sept. 2009	2.30 p m
2010	" "	18th Sept. 2010	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 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 2010-2011, 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 31.03.2011

## **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 2010-2011 were approved 31-08-2011.

(i)	Date of AGM	October 01, 2011
	Venue	Regd. Office 11/19, Vengalam P O Chemancherry Panchayat Kozhikode 673 303
	Time	2.30 p m

### (ii) Financial calendar(2010-2011)

AGM	October 2011
1st quarterly results	July, 2010
2nd quarterly results	October, 2010
3rd quarterly results	January, 2011

Annual results for the year ending 31-03-2011 by the end of August



(iii) Particulars of Dividend paid	Nil
(iv) Book Closure	September 29 to October 01, 2011 (Both days inclusive)
(v) Shares are listed at	
	<u>Stock code</u>
1. Cochin Stock Exchange Ltd	
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, 3<sup>rd</sup> 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, 2011 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 March 31 2011

(viii) Share holding pattern as on March 31, 2011

Physical holdings	- 5633000 (86.66%)
Dematerialised mode	- 867000 (13.34%)

Distribution of share holding as on March 31, 2011

No. of equity shares	No. of members	% to total members	Amount	% to total shares
Up to 5000	17571	95.58	22494000	34.61
5001-10000	421	2.29	3404000	5.24
10001-20000	127	0.69	1867000	2.87
20001-30000	30	0.16	759000	1.17
30001-40000	4	0.02	134000	0.21
40001-50000	142	0.77	7080000	10.89
50001-100000	39	0.21	3469000	5.33
100001&above	50	0.27	25793000	39.68
<b>Total</b>	<b>18384</b>	<b>100.00</b>	<b>65000000</b>	<b>100.00</b>



## (ix) Categories of shareholders as on 31.03.2011

Category	No. of shares	% of holding
Promoters	2583600	39.75
NRI (Promoters)	371400	5.71
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	41100	0.63
Public	3499600	53.84
Trust	Nil	Nil
<b>Total</b>	<b>6500000</b>	<b>100.00</b>

(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 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, 2011, 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 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 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

Place : Kozhikode  
Date : 31-08-2011

K.C. Kuruvilla, FCA  
Partner(18313)



**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 March 31, 2011 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, 2011 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 (I)g, 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, 2011
  - (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

Place : Kozhikode

Date : 31-08-11

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 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 of any portion of fixed assets during the year.
- 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 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.
- 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 amount in respect of Income-tax, Sales -tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears as at March 31, 2011 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, Customs Duty, Excise Duty and Cess which have not been deposited as at March 31, 2011 on account of disputes are given below

Name of the Statute	Nature of dues	Amount (Rs in Lakhs)	Period of 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 has accumulated losses, however the company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- 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 / society 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 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  
Reg.No.004177S

K. C. KURUVILLA, FCA  
Partner (18313)

Place : Kozhikode  
Date : 31-08-11

**BALANCE SHEET AS AT 31 - 03 - 2011**

Schedule No	As at 31-03-2011 Rs.	As at 31-03-2010 Rs.
<b>I. SOURCES OF FUNDS</b>		
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 27266651.00	29697846.00
b) Unsecured Loans	4 8477332.30	8940281.30
TOTAL	103060325.30	105954469.30
<b>II. APPLICATION OF FUNDS</b>		
1) Fixed Assets		
Gross Block	5 126363920.41	122885554.41
Less: Depreciation	(105233668.93)	(101149995.93)
Add: Capital Work in Progress	21130251.48	21735558.48
Net Block	Nil 21130251.48	Nil 21735558.48
2) Investment	Nil	Nil
3) Current Assets		
Loans & Advances	6	
a. Inventory	77141539.70	77643577.88
b. Sundry debtors	18259994.90	10673307.00
c. Cash & Bank balances	340605.16	1407078.72
d. Loans & Advances	7645038.27	3119844.17
	103387178.03	92843807.77
Less: Current Liabilities & Provisions	7	
a. Current Liabilities	27088098.94	20494257.22
b. Provisions	4206217.00	3719265.00
	31294315.94	24213522.22
Net Current Assets	72092862.09	68630285.55
	469127.87	3071979.61
4) Deferred Tax Asset (Net)		
5) Miscellaneous expenditure	NIL	NIL
6) Profit & Loss A/C	9368083.86	12516645.66
Total	103060325.30	105954469.30
<b>III. Notes On Accounts</b>		
ANUSH K THOMAS Managing Director	IYPE MATHEW Director	As per our report of even date For SUDHIR & KURUVILLA Chartered Accountants(Reg.No.004177S)
V. BALACHANDRAN Company Secretary	THOMAS P KOSHY Chief Executive	K.C.KURUVILLA (FCA) Partner(18313)
Place : Kozhikode Date : 31-08-2011		



**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 - 03 - 2011**

	Schedule No	2010-2011 Rs.	2009-2010 Rs.
<b>I. INCOME</b>			
Sales	8	254323222.99	199375916.11
Miscellaneous Receipts	9	<u>286340.52</u>	<u>681402.68</u>
<b>TOTAL</b>		<u>254609563.51</u>	<u>200057318.79</u>
<b>II. EXPENDITURE</b>			
Cost of Goods Sold/Consumed	10&11	204524036.45	158301147.66
Shipping Freight & Expenses		17806060.36	13625545.24
Interest & Financial Charges	12	6704763.05	3444349.04
Administration and Selling Expenses <sup>13</sup>		15982671.29	16043522.07
Depreciation		<u>4083673.00</u>	<u>5393152.99</u>
<b>TOTAL</b>		<u>249101204.15</u>	<u>196807717.00</u>
<b>III. Profit For the Year</b>		5508359.36	3249601.79
Less Prior Period Adjustments		(41894.82)	(46490.00)
Loss on goods returned {Refer Notes :14(9)(a)}		(396285.00)	NIL
<b>IV. Profit After Prior Period Adjustments and exceptional items</b>		5070179.54	3203111.79
<b>V. Provision for Income Tax (Refer Notes on Accounts)</b>			
(a) Current Year		(1050000.00)	(520000.00)
(b) MAT credit		1731234.00	NIL
(c) Deferred Tax [Refer Notes on Accounts - Schedule 14 (Q)]		<u>(2602851.74)</u>	<u>(475471.00)</u>
<b>VI. Profit After Exceptional Items</b>		3148561.80	2207640.79
<b>VII. Loss Brought Forward</b>		<u>(12516645.66)</u>	<u>(14724286.45)</u>
Profit/Loss Transferred to Balance Sheet		<u>(9368083.86)</u>	<u>(12516645.66)</u>
<b>VIII. Notes on Accounts</b>	14		
<b>IX. Earnings per Share</b>		0.49	0.34

ANUSH K THOMAS  
Managing Director

IYPE MATHEW  
Director

As per our report of even date  
FOR SUDHIR & KURUVILLA  
Chartered Accountants  
Reg.No.00477S

V. BALACHANDRAN  
Company Secretary

THOMAS P KOSHY  
Chief Executive

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

Place : Kozhikode  
Date : 31-08-2011



<b>SCHEDULES ATTACHED TO THE BALANCE SHEET AND PROFIT &amp; LOSS ACCOUNT</b>		
	2010-2011 Rs.	2009-2010 Rs.
<b><u>SCHEDULE 1 : SHARE CAPITAL</u></b>		
<b>Authorised</b>		
80,00,000 Equity Shares of Rs.10/- each	<u>80000000.00</u>	<u>80000000.00</u>
<b><u>Issued, Subscribed and Paid Up:</u></b>		
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>
<b><u>SCHEDULE 2 : RESERVES AND SURPLUS</u></b>		
Capital Reserve	<u>2427842.00</u>	<u>2427842.00</u>
<b><u>SCHEDULE 3 : SECURED LOANS</u></b>		
<b>THE FEDERAL BANK LTD :</b>		
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 Mr.K.C.Babu	<u>27266651.00</u>	<u>29697846.00</u>
	<u>27266651.00</u>	<u>29697846.00</u>
<b><u>SCHEDULE 4: UNSECURED LOANS</u></b>		
Hire purchase loan	1026937.00	1489886.00
Loan from Directors	497100.00	497100.00
Loan from others	<u>6953295.30</u>	<u>6953295.30</u>
	<u>8477332.30</u>	<u>8940281.30</u>



<b>SCHEDULE 5: FIXED ASSETS</b>												
PARTICULARS		GROSS BLOCK				DEPRECIATION				NET BLOCK		
		As on 01-04-2010	Additions during the year	Deductions during the year	Total as on 31-03-2011	Up to 01-04-2010	For the year	Adjust ment for Deduction	Total As on 31-03-2011	As on 31-03-2011	As on 31-03-2010	
1	Land	2623405.70	...	...	2623405.70	...	...	...	...	2623405.70	2623405.70	2623405.70
2	Factory Building	21058183.50	...	...	21058183.50	10574530.65	703343.00	...	11277873.65	9780309.85	10483652.85	9780309.85
3	Plant and Machinery	77813479.90	2654426.00	...	80467905.90	76114813.59	1705760.00	...	77820573.59	2647332.31	16986666.31	2647332.31
4	Processing Equipments	4405674.91	363574.00	...	4769248.91	2279426.13	211730.00	...	2491156.13	2278092.78	2126248.78	2278092.78
5	Laboratory Equipments	260663.97	...	...	260663.97	176857.48	12382.00	...	189239.48	71424.49	83806.49	71424.49
6	Office Equipments	713613.62	62663.00	...	776276.62	348834.64	34019.00	...	382853.64	393422.98	364778.98	393422.98
7	Electrical Fittings	3149124.77	50433.00...	...	3199557.77	2329100.32	150823.00	...	2479923.32	719634.45	820024.45	719634.45
8	Furniture & Fittings	420753.91	6600.00	...	427353.91	352256.70	26762.00	...	379018.70	48335.21	68497.21	48335.21
9	Vehicles	9718282.63	303470.00	...	10021752.63	7835985.78	1032444.00	...	8868429.78	1153322.85	1882296.85	1153322.85
10	Motor Car	1930091.00	...	...	1930091.00	373876.09	183359.00	...	557235.09	1372855.91	1556214.91	1372855.91
11	Library	15750.50	...	...	15750.50	9997.56	748.00	...	10745.56	5004.94	5752.94	5004.94
12	Computers	776530.00	37200.00	...	813730.00	754317.00	22303.00	...	776620.00	37110.00	22213.00	37110.00
Total		122885554.41	3478366.00	...	126363920.41	101149995.93	4083673.00	...	105233668.93	21130251.48	21735558.48	21130251.48
Previous Year		120774746.41	2110808.00	...	122885554.41	95756842.94	5393152.99	...	101149995.93	...	...	...

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

1) Stock as taken valued and Certified by the Management :				
Finished goods	73917330.00		74467711.00	
Raw materials	804840.00		1334984.00	
Packing materials	1421881.00		891579.00	
Stores and spare parts	245122.70		236868.88	
Consumables	<u>752366.00</u>	77141539.70	<u>712435.00</u>	77643577.88
2) Sundry debtors, ( Unsecured Exceeding six months )				
a. Considered Good	NIL		148428.00	
b. Considered Doubtful	NIL		NIL	
c. Other Debts	<u>18259994.90</u>		<u>10524879.00</u>	
	18259994.90		10673307.00	10673307.00
		18259994.90		
3) Cash in hand	272132.09		595585.80	
4) Balance with scheduled banks in current account	<u>68473.07</u>	340605.16	<u>811492.92</u>	1407078.72

**B. LOANS AND ADVANCES**

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

1) Loans and advances	5037196.27		1090258.17	
2) Deposits	<u>2607842.00</u>	7645038.27	2029586.00	3119844.17
		<u>103387178.03</u>		<u>92843807.77</u>

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

Sundry creditors :				
Small scale industrial units	868598.36		636763.20	
Due to directors	62000.00		41000.00	
Others	<u>26157500.58</u>	27088098.94	<u>19816494.02</u>	20494257.22

**B. PROVISIONS**

Provision for Taxation	1050000.00		520000.00	
others	<u>3156217.00</u>	4206217.00	<u>3199265.00</u>	3719265.00
		<u>31294315.94</u>		<u>24213522.22</u>

**SCHEDULE 8 : SALES**

Export Sales	226880102.00		167949511.00	
Less : Sales Return	NIL	226880102.00	(1350890.99)	166598620.01
License-Sales		27367573.00		32597969.00
Domestic Sales		<u>75547.99</u>		<u>179327.10</u>
		<u>254323222.99</u>		<u>199375916.11</u>

in



**SCHEDULE 9 : MISCELLANEOUS RECEIPTS**

Freight Rebate (TDS Deducted Rs. 14264/-)

Freight Rebate (TDS Deducted Rs. 14264/-)		142639.52		122043.68
Previous year Rs. 12877/-)				
Miscellaneous income		143701.00		250359.00
Profit on sale of fixed asset				309000.00
		<u>286340.52</u>		<u>681402.68</u>

**SCHEDULE 10 : COST OF GOODS SOLD / CONSUMED**

<b>OPENING STOCK:</b>				
Finished Goods	74467711.00		71295447.00	
Raw Materials	1334984.00		1185914.00	
Packing Materials	891579.00		1038026.00	
Consumables	712435.00	77406709.00	489974.00	74009361.00
<b>ADD : PURCHASES:</b>				
Raw Materials & Finished Goods	163386491.00		132201729.00	
Packing Materials	6905333.00		5168458.00	
Consumables	3418644.71		3131854.00	
Other Manufacturing Expenses (As Per Schedule 11)	30303275.74	204013744.45	21196454.66	161698495.66
		<u>281420453.45</u>		<u>235707856.66</u>
<b>LESS: CLOSING STOCK:</b>				
Finished Goods	73917330.00		74467711.00	
Raw Materials	804840.00		1334984.00	
Packing Materials	1421881.00		891579.00	
Consumables	752366.00	76896417.00	712435.00	77406709.00
		<u>204524036.45</u>		<u>158301147.66</u>
<b>SCHEDULE 11 : OTHER MANUFACTURING EXPENSES</b>				
Processing Wages		651874.00		223700.00
Power and fuel		12343916.62		13040227.55
Repairs & Maintenance :				
For Machinery	1855025.99		779640.57	
For Others	252910.00	2107935.99	832493.25	1612133.82
Laboratory Expenses		181105.00		79649.88
Factory Expenses		1963301.63		1061982.85
Packing Expenses		21413.00		43179.00
Purchase Expenses		13033729.50		5135581.56
		<u>30303275.74</u>		<u>21196454.66</u>
<b>SCHEDULE 12 : INTEREST AND FINANCE CHARGES :</b>				
Interest on Foreign Currency Term Loan		NIL		27101.00
Interest on PCL		2548808.72		1265767.33
Interest on FDBP/FUBP		2985107.00		718269.40
Bank and finance charges		960393.33		1412340.29
Interest on Hire Purchase		210454.00		20871.02
		<u>6704763.05</u>		<u>3444349.04</u>

**SCHEDULE 13 : ADMINISTRATION & SELLING EXPENSES**

Salary, Bonus, Exgratia and Allowances	8427966.00		8089256.00
Salary to MD	252000.00		252000.00
Staff Welfare expenses	739605.00		139740.56
Gratuity	263730.00		520616.00
Rent	104000.00		103200.00
Rates & taxes	515140.32		702502.21
Printing & stationery	141691.00		123982.04
Traveling expenses - Directors	54383.00	67174.00	
Traveling expenses - Others	<u>1043032.00</u>	<u>1097415.00</u>	<u>1109514.00</u>
Foreign tour expenses	48390.00		12740.34
Postage, Telegram and Telephone	207242.36		232294.94
Commission and Brokerage	583856.00		835951.00
Insurance	306785.00		411592.00
ECGC premium	335410.00		349109.00
Auditors fee:			
Audit Fee	40000.00	30000.00	
Tax audit	20000.00	10000.00	
Certification	<u>12000.00</u>	<u>72000.00</u>	<u>52000.00</u>
Reimbursement of expenses to auditors	15399.44		11375.66
Other administrative expenses	2848341.17		2990141.32
Sales promotion expenses	23700.00		107507.00
	<u>15982671.29</u>		<u>16043522.07</u>

**SCHEDULE 14: NOTES ON ACCOUNTS****1. 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

**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 cost 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:-**

(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 despatch 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. As the Company was hitherto carrying business loss off earlier years, and shortage in working capital, the company has not funded defined benefit plans as mandated in AS 15 'Employees benefit' issued by ICAI-During the ensuing year steps are being taken to comply with the provision.

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) 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.

K) 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

L) ~~The entire Technical Know-how and Preliminary Expenses had been written off over a~~



period of 10 years.

M) 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. Advance includes Rs. 19,75,663 paid for material to pescavi foods.

N) 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.

O) Taxation

Current Income Tax-Tax on income for current period is nil. MAT provision applicable u/s 115 J.B of the IT Act for the period is Rs. 10,50,000.

P) MAT Credit Entitlement

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal tax during specified period. During the year the company has provided for MAT credit Entitlement based on the taxable income computed. In view of the profits over the years and also considering the future profits projections, the management believes that there is convincing evidence with regard to the earning of future taxable income and payment of tax under normal tax within the specified period. Accordingly, MAT Credit Entitlement of Rs. 17,31,234 has been recognized during the year.

Q) **Deferred Tax Working:**

<b>Deferred Tax Liability:-</b>	As on 1-4-2010	For the year		As on 01-04-2011	
Depreciation					
Fixed asset net of land as on 31-3-2010-Companies Act	19112153			18506846	
Less: WDV as per IT	15681463			16730821	
	<u>3430690</u>	1166092	-562421	<u>1776025</u>	603671
<b>Deferred Tax Asset:-</b>					
Provision for gratuity	3199265	1087430	-14632	3156217	1072798
Unabsorbed depreciation	9269317	3150641	-3150641	0	0
		4238071	-3165273		1072798
		3071979	-2602852		469127

R) 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.

S) 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.



<b>2. Contingent Liabilities not provided for</b>	<u>Current Year</u>	<u>Previous Year</u>
a) Foreign documentary Bills Discounted	Rs.2,49,26,725/-	Rs.2,60,14,900/-
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.8,88,300/-	Rs.8,64,970/-
d) sales tax liability pending appeal	10,85,799	Nil
<b>3. Sale of DEPB Licence is accounted on realization basis.</b>		
<b>4. Payment made to Directors</b>	<u>As at 31.3.2011</u>	<u>As at 31.3.2010</u>
Salary to Managing Director	1,80,000.00	1,80,000.00
House Rent Perquisites	72,000.00	72,000.00
	<u>2,52,000.00</u>	<u>2,52,000.00</u>
Travelling Expenses incurred by Directors	54,383.00	67,174
Travelling Expenses – Foreign Tour	Nil	12,740
Sitting Fee to Directors	52,000.00	52,000
Professional charges for IT appeal	Nil	53,600
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.		
<b>5. REMUNERATION TO AUDITORS</b>	<u>31-03-2011</u>	<u>31-03-2010</u>
For Statutory Auditors	Rs. 40000.00	Rs.30000.00
For Tax Audit	Rs. 20000.00	Rs.10000.00
For Other Services	Rs. 12000.00	Rs.12000.00
	<u>Rs. 72000.00</u>	<u>Rs.52000.00</u>
<b>6. ADDITIONAL INFORMATION</b>		
<b><u>MARINE DIVISION</u></b>		
	<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	1379 MT	962 MT
<b>7. Name of Small Scale Industries to whom the Company owes amounts outstanding for more than 30 days.</b>		
Escort Packagings	Rs. 6,59,957	Rs. 4,90,123
Rohini Plasto Pack	Rs. 1,45,903	Rs. 1,46,640
<b>8. Unsecured Loan:</b>		
From Directors	Rs. 4,97,100	Rs. 4,97,100
From firms in which directors are Included	Rs. 69,53,295	Rs.69,53,295
	<u>74,50,395</u>	<u>74,50,395</u>



#### 9. Sundry Debtors :

a) Company has obtained information subsequent to the Balance Sheet date that a consignment of cargo valuing Rs.38,57,139 has not been cleared by the foreign buyer. A sum of Rs.396285 has been provided in accounts for interest freight and handing charges .A certificate has been obtained from Management that the cargo is re-export worthy.

b) Subject to above, 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.

#### 10. 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
11. Expenditure in Foreign Currency		
On account of payment of exports		
Sales commission	Rs. 5,83,856	Rs. 8,35,951
Foreign Tour	Rs. 33,278	Rs. 12,740
12. Earnings in Foreign Exchange:		
Export of goods calculated on		
FOB basis	Rs.21,17,51,234	Rs.15,73,41,091

#### 13. Related Party Transaction Under AS-18:

##### Relationship:

*Firms or Companies in which Directors are interested:*

Baby Marine Eastern Exports, Narayanan & Co., Ramnath & Co., M/s. Tharian & Iype, Pranavam Arts, Thomsun Electronics, Thomsun Supermarket, East Fish Private Limited, Laxmi Agencies, & SAM property developers and Hotels (P) Ltd

Note: Related parties and their Relationships are as identified by the management and relied upon by the Auditors.

##### Key Management Personnel:

Mr. Anush K. Thomas, Managing Director and Mr. Thomas 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	2,68,950	—
Sitting Fee	52,000	—	—
Travelling expenses	54,383	50,891	—
Commission of sale of DEPB Licence - Ramnath & Co.			Rs.1,73,100

14. 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.



**15. Earning per share**

Profit after Tax to be borne by shareholders	Rs. 31,48,561	Rs. 22,07,641
No. of shares	64,88,850	64,88,850
<b><u>BASIC &amp; DILUTED EARNINGS PER SHARE</u></b>		
(Face value of share Rs.10/-)	Rs.0.49	Rs. 0.34

15. Cash Flow Statement is prepared under indirect method.
16. Contingencies and events occurring after the balance sheet date -Refer Note '9(a)'
17. 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.
18. Allotment money of Rs.1,11,500 recoverable from party paid share holders remains outstanding for long period
19. Quarterly financial results are published in accordance with the listing agreements.
20. Previous year's figures have been regrouped wherever found necessary.

ANUSH K THOMAS  
Managing Director

IYPE MATHEW  
Director

As per our report of even date  
FOR SUDHIR & KURUVILLA  
Chartered Accountants  
Reg.No.004177S

V. BALACHANDRAN  
Company Secretary

THOMAS P KOSHY  
Chief Executive

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

Place : Kozhikode  
Date : 31-08-2011





### QUANTITATIVE DETAILS 2010-11

	Current Year		Previous Year	
	Quantity(kgs)	Value(Rs)	Quantity(kgs)	Value(Rs)
a) Opening Stock of Raw Materials				
1. Shrimps	8161.000	1070859.00	7580.000	1116491.00
2. Other Marine Products	4723.000	264125.00	515.000	13565.00
	<u>12884.000</u>	<u>1334984.00</u>	<u>8095.000</u>	<u>1130056.00</u>
b) Purchase of Raw Materials				
1. Shrimps	875827.230	109527724.00	773465.500	100082274.00
2. Other Marine Products	1022133.000	53858767.00	624473.500	32119455.00
	<u>1897960.230</u>	<u>163386491.00</u>	<u>1397939.000</u>	<u>132201729.00</u>
c) Purchase of Finished Goods	NIL	NIL	NIL	NIL
d) Consumption of Raw Materials				
1. Shrimps	883988.230	110598583.00	772884.500	100127906.00
2. Other Marine Products	1014355.000	53318052.00	620265.500	31868895.00
	<u>1898343.230</u>	<u>163916635.00</u>	<u>1393150.000</u>	<u>131996801.00</u>
e) Closing Stock of Raw Materials				
1. Shrimps			8161.000	1070859.00
2. Other Marine Products	12501.000	804840.00	4723.000	264125.00
	<u>12501.000</u>	<u>804840.00</u>	<u>12884.000</u>	<u>1334984.00</u>
f) Opening Stock of Finished Goods				
1. Shrimps	383040.000	70175083.00	327270.000	58543749.00
2. Other Marine Products	27142.000	4292628.00	124748.000	12807556.00
	<u>410182.000</u>	<u>74467711.00</u>	<u>452018.000</u>	<u>71351305.00</u>
g) Export Returns				
1. Shrimps	NIL	NIL	8000.000	1350891.00
2. Other Marine Products	NIL	NIL	NIL	NIL
	<u>NIL</u>	<u>NIL</u>	<u>8000.000</u>	<u>1350891.00</u>
h) Production of Finished Goods				
1. Shrimps	748746.000	NIL	653650.000	NIL
2. Other Marine Products	630718.000	NIL	308646.000	NIL
	<u>1379464.000</u>	<u>NIL</u>	<u>962296.000</u>	<u>962296.00</u>
i) Sale of Finished Goods				
j) Export :				
1. Shrimps	799206.000	151117435.00	605880.000	105500900.00
2. Other Marine Products	552460.000	75762667.00	406252.000	62448611.00
	<u>1351666.000</u>	<u>226880102.00</u>	<u>1012132.000</u>	<u>167949511.00</u>
j) Closing Stock of Finished / Semifinished Goods				
1. Shrimps	332580.000	60455378.00	383040.000	70175083.00
2. Other Marine Products	105400.000	13461952.00	27142.000	4292628.00
	<u>437980.000</u>	<u>73917330.00</u>	<u>410182.000</u>	<u>74467711.00</u>




**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011**

	(Rs. in Lakhs)			
	2010-2011		2009-2010	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before tax & exceptional items		55.08		32.49
Adjustment for:				
Depreciation	40.84		53.93	
Interest Expenses	67.05		34.44	
Exemptional	(4.38)		(0.46)	
Profit on Sale of Vehicle	Nil		(3.09)	
Provision for Gratuity	2.64	106.15	3.71	88.53
Operating profit before working capital changes		161.23		121.02
Adjustment for:				
Trade Receivables	(71.74)		(4.89)	
Inventories	5.02		(34.67)	
Other Advances	(22.64)		9.03	
Trade payables	65.94	(23.42)	(14.99)	(45.52)
Cash generated from operations		137.81		75.50
Gratuity Settlement	(3.07)		(5.23)	
Direct Taxes paid	(10.50)	(13.57)	(5.20)	(10.43)
Cash flow before exceptional items		124.24		65.07
Bad Debts written off		( 4.13)		Nil
Net cash from operating activities		120.11		65.07
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets	(34.78)		(21.10)	
Capital work in progress	Nil		Nil	
Sale of fixed assets	Nil		Nil	
	(34.78)		(21.10)	
Net cash flow from investing activities		(34.78)		(21.10)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Unsecured loan	Nil		Nil	
Secured loan repayment	Nil		Nil	
Hire purchase loan	(4.63)		5.94	
Working capital borrowings	(24.31)		(2.19)	
Interest expenses	(67.05)	(95.99)	(34.44)	(31.41)
Net increase/(decrease)in cash and cash equivalents		(10.66)		12.56
Cash and cash equivalent as at 31st March,2010		14.07		1.51
Cash and cash equivalent as at 31st March,2011		3.41		14.07
		(10.66)		12.56

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

Place : Kozhikode

Date:31-08-2011



### Balance Sheet Abstract & Company's General Business Profile

(As per Schedule VI Part(IV) of the Companies Act, 1956)

#### I. REGISTRATION DETAILS

Registration Details	State
0 0 6 6 7 4	0 9
Balance Sheet date	Date Month Year
	3 1 - 0 3 - 2 0 1 1

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

Public issue	Right issue
N I L	N I L
Bonus issue	Private Placement
N I L	N I L

#### III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUND (AMOUNT IN RS. THOUSANDS)

Total Liabilities	Total Asset
1 0 3 0 6 0	1 0 3 0 6 0

##### SOURCES OF FUNDS

Paid-Up Capital	Reserves & Surplus
6 4 8 8 9	2 4 2 8
Deferred Tax Liability	
4 6 9 1	
Secured Loans	Unsecured Loans
2 7 2 6 7	8 4 7 7

##### APPLICATION OF FUNDS

Net Fixed Assets	Investments
2 1 1 3 0	N I L
Net Current Assets	Accumulate Losses
7 2 0 9 3	9 3 6 8

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

Turnover (Gross Revenue)	Total Expenditure
2 5 4 6 1 0	2 4 9 1 0 1
Profit before Tax	Profit after Tax
5 0 7 0	3 1 4 9
Earning per Share (in Paise)	Dividend
0 . 4 9	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  
31.08.2011

ANUSH K THOMAS  
Managing Director



**UNIROYAL MARINE EXPORTS LTD.**

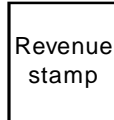
Regd. Office : 11/19, Vengalam P.O., Kozhikode - 673 303

**PROXY FORM**

I/we.....  
of.....in the distirct 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 Nineteenth Annual General Meeting of the Members of the Company to be held at the Registered Office of the Company on Saturday, the October 01, 2011 at 2.30 p.m.and at any adjournment thereof.

Signed at.....this.....day of.....2011.



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 Nineteenth Annual General Meeting of the Members of the Company to be held on Saturday, the October 01, 2011 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**



**UNIROYAL MARINE EXPORTS. LTD.**

11/19, Vengalam P.O

Chemancherry Panchayath

Kozhikode - 673 303, Kerala