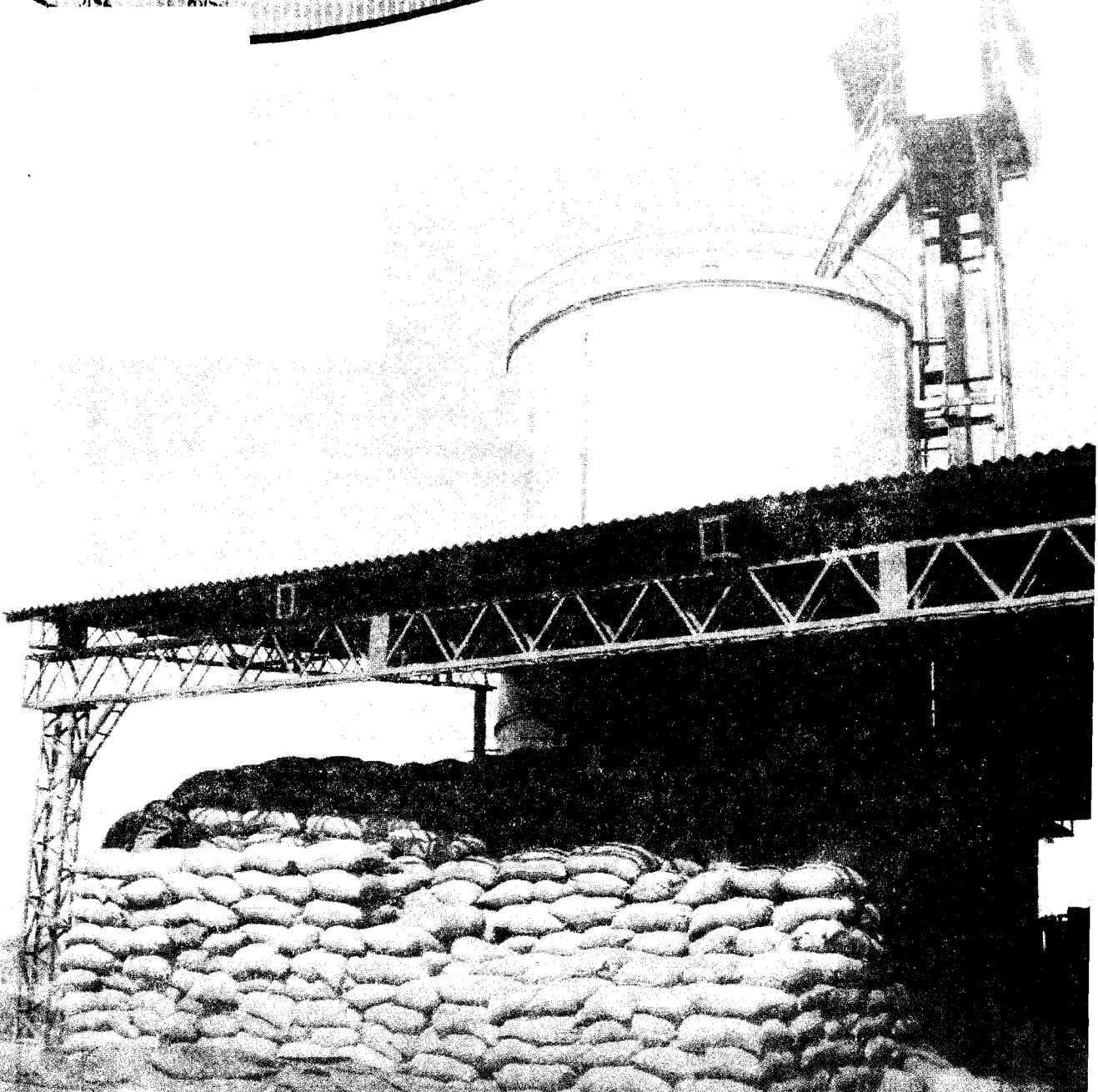


23rd

ANNUAL REPORT 2009-2010



UMRED AGRO COMPLEX LIMITED



BOARD OF DIRECTORS

Dr. S. G. Parate	Chairman
Shri Nitin Gadkari	Director
Shri Ravindra Boratkar	Director
Shri Surendra N. Mishra	Director
Shri Uday Kamat	Managing Director
Shri Arvind Bakde	Whole Time Director

REGISTERED OFFICE

"Harsh Villa", 1st Floor,
232, Hill Road, Shivaji Nagar
Nagpur 440010 (INDIA)
Tel (+) 91-712-2242564 / 2249788
Fax (+) 91-712-2249456
Email: ua_ngp@umredagro.com

WORKS

Village: Kolari, Tahsil : Chimur
Dist.: Chandrapur (M. S.)
Tel (+) 91-7170-244322 / 244323
Fax (+) 91-7170 244328
Email: kolari@umredagro.com

BANKERS

M/s Tirupati Urban Co-operative Bank Ltd.
172, Shradhanand Peth, Nagpur-440 010

AUDITORS

M/s ANIL MARDIKAR & CO.
11, Laxmi Vaibhav Complex
Laxmi Nagar Square, Nagpur - 440010

Twenty Third Annual General Meeting

On Wednesday, the 29th September 2010 at 4.00 p. m.
At Saraswat Sabhagrudha, Plot No. 88/1, Bajaj Nagar, Nagpur-10

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NOTICE

Notice is hereby given that the **TWENTY THIRD ANNUAL GENERAL MEETING** of Members of **UMRED AGRO COMPLEX LIMITED** will be held at **SARASWAT SABHAGRUHA**, Plot No. 88/1, Bajaj Nagar, Nagpur-440 010 on Wednesday, the **29th September, 2010** at **4.00 p.m.**, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the Year ended on 31st March 2010 and the Balance Sheet as at that date and the Reports of Directors and Auditors thereon.
2. To appoint director in place of Shri Nitin Gadkari, who retires by rotation at this meeting and being eligible offers himself for re-appointment.
3. To appoint the Statutory Auditors of the Company for the financial year 2010-11 and to fix their remuneration.

By Order of Board of Directors

Place: Nagpur

Date: 14th August 2010

Arvind Bakde

DIRECTOR

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. A proxy so appointed shall not have any right to speak at the meeting. Proxy forms, in order to be effective must be received by the Company not less than forty-eight hours before the scheduled time for the meeting.
2. The Register of Members and Share Transfer Book of the Company will remain closed from 28th September 2010 to 29th September 2010 (Both days inclusive).
3. Members are requested to bring with them their copies of the accounts and reports at the meeting.
4. Members are requested to send their queries, if any, in writing at least 10 days in advance of the date of the meeting.
5. Members/ Proxies are requested to bring the Attendance Slip attached herewith, duly filled in, for attending the meeting.



DIRECTORS' REPORT

To

The Members,

Your Directors hereby present their Twenty Third Annual Report on the business and operations of the Company and financial statements for the year ended 31st March 2010.

(Rs. In Lacs)

Financial Results	Year ended on 31-Mar-2010	Year ended on 31-Mar-2009
Sales Turnover	1827.01	1495.84
Custom Processing Charges / Other Income	381.94	573.34
Total Income	2208.95	2069.18
Profit Before Interest, Depreciation and Tax (PBITD)	198.48	222.33
Interest & Financial Expenses	110.53	131.44
Depreciation	76.31	80.35
Profit /(Loss) Before Tax	11.64	10.54
Profit /(Loss) After Tax	11.64	9.87
Profit / (Loss) brought forward	(1544.82)	(1554.69)
Profit / (Loss) carried forward	(1533.17)	(1544.82)

DIVIDEND

For the year ended on 31st March 2010, in the view of the accumulated losses, despite of marginal profits, the Directors regret their inability to recommend any dividend.

OPERATIONS

During year 2009-10, the Company continued with its processing arrangement with M/s Cargill India Pvt. Ltd. (Cargill). However, the year under review has turned out to be a disappointing one due to unfavourable market conditions, with lower processing volumes from Cargill.

The Company achieved a Total Income of **Rs. 2208.95 Lacs**, including **Rs. 381.94 Lacs** towards Custom Processing Charges. While the Company processed 26237 MT in Solvent Plant, it processed 3041 MT in Refinery.

During the year, market conditions remained unfavourable and margins were negative during most of the oil season. Nevertheless, the Company achieved an operating profit of **Rs.198.48 Lacs**.

FUTURE OUTLOOK

For Kharif Season 2010-11, the average rainfall this year has been in the normal range, till date. As per the report from SOPA, Indore, All India area under Soybean cultivation is likely to be 93.08 Lac Ha.

The area for Maharashtra is likely to be 25.91 Lac Ha. The Soya crop position, while, reportedly satisfactory in Vidarbha, sowing area is reduced due to good MSP for Cotton and Pulses. The yield estimates, however, have to be suitably factored considering variations in agro-climatic conditions.

The Company's processing arrangement with Cargill shall continue during year 2010-11. With financial assistance available from M/s Tirupati Urban Cooperative Bank Ltd., your Company proposes to step up Own processing operations. The management is looking forward to a favourable processing season, ahead.

REHAB SCHEME IMPLEMENTATION

During the year, a Modified Rehab Scheme (MRS-2004) sanctioned by Hon'ble BIFR was under implementation.

DIRECTORS

Shri Nitin Gadkari, shall retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. Having a vast experience in the field of Business & Administration, the Company shall get benefited under his valuable guidance.

**INSURANCE:**

Fixed and Current Assets of the Company are adequately insured.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOINGS.

Additional information in accordance with provisions of Section 217(l) (e) of the companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given Annexure 1 of this report.

PERSONNEL

In respect of particulars of employees, as required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, during the period under review, there were no employees employed throughout the year and were in receipt of remuneration of Rs. 24,00,000/- or above and employed for part of the year and were in receipt of Rs. 2,00,000/- p.m. or above.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm:

1. That in the preparation of annual accounts, the applicable accounting standards having generally been followed along with proper explanation relating to material departure.
2. That the Directors have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of state of affairs of the Company, at end of the financial year and of the profit and loss of the Company for that period.
3. That the Directors have 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 have prepared the annual accounts on a going concern basis (based on the Modified Rehab Scheme approved by Hon'ble BIFR being under implementation).

AUDITORS

M/s Anil Mardikar & Company, Chartered Accountants (FRN-100454W), Auditors of the Company retire at ensuing Annual General Meeting and being eligible offer themselves for reappointment. The company has obtained a certificate as required under Section 224 (1-B) of the Companies Act, 1956, from the Auditors to the effect that their reappointment, if considered, would be in conformity with the limit specified in the said section.

COMMENTS ON THE AUDITORS' REPORT

About the observations made in the Auditors' Report and Annexure thereto, in the opinion of the management, the Company is consistent in its policy regarding (i) treatment of retirement benefits, (ii) valuation of stock of Finished Goods and Work in Progress and (iii) regarding Sales Tax Dues.

ACKNOWLEDGEMENT

Your Directors gratefully acknowledge the unstinted support and co-operation received from the Hon'ble BIFR, ICICI Bank Ltd., MNP Group, PURTI Group, Cargill, esteemed customers, shareholders and suppliers, during the year under review.

Place: Nagpur For and on behalf of the Board

Date: 14th August 2010

Sd/-

Dr. S. G. Parate
CHAIRMAN

ANNEXURE 1 TO THE DIRECTORS' REPORT

Additional information in accordance with provisions of Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report.

CONSERVATION OF ENERGY

- a. The Company uses the Flash Heat Recovery Systems in Solvent Plant and in Refinery and makes optimum use of steam by reusing condensate for the Boiler.
- b. During 2009-10, average utilization (SEP/Refinery) being lower, unit consumption for Coal is more. Further, the company was benefitted by supply of steam from M/s Yash Agro Energy Ltd.
- c. Total energy consumption and energy consumption per unit of production as per Form - A of the Annexure to Rule.

**FORM A"**

Form for disclosure of Particulars with respect to Conservation of Energy

A) POWER AND FUEL CONSUMPTION	For year 2009-10	For year 2008-09
Power/ Electricity		
Purchased Units (Kwh)	14,71,968	22,70,196
Total Amount (Rs.)	85,22,300	1,16,17,460
Rate (Rs. /Unit)	5.79	5.12
Coal / Husk (for Boiler & TFHS)		
Quantity in MT.	3,427	3,557
Total cost (Rs.)	74,64,006	64,24,919
Average Rate (Rs./MT)	2,178	1,806

B) CONSUMPTION (Per MT of Processing)	For year 2009-10	For year 2008-09
Oilseeds Processed (MT)	26,238	37,918
Raw Oil Refined (MT)	3,042	5,187
Electricity (Units per MT of Input)		
Solvent Plant	46	47
Refinery	91	94
Coal/ Fuel Consumption (In MT per MT of Input)		
Solvent Plant	0.105	0.073
Refinery	0.224	0.155

"FORM B"

(Form for disclosure of particulars in respect of Technology Absorption, Adaptation and Innovation)

TECHNOLOGY ABSORPTION AND INNOVATION

The Company has not imported any technology as yet.

RESEARCH AND DEVELOPMENT

The company shall continue its efforts towards reduction of utilities consumption (Power/Hexane/ Chemicals) and improvement in production processes.

Expenditure on R. & D.

- i) Capital : Nil
- ii) Recurring : At present not significant
- iii) Total : As per (ii) above
- iv) As % of turnover : As per (ii) above

FOREIGN EXCHANGE EARNING & OUTGOINGS

The Foreign Exchange Earnings during the financial year 2009-10 was NIL. The outgo for the year under review was also NIL.

For and on behalf of the Board

Place: Nagpur

Dr. S. G. Parate

Date: 14th August 2010

CHAIRMAN



MANAGEMENT DISCUSSION AND ANALYSIS

Company Background

The Company is engaged in the processing of Soybean/ other oilseeds, marketing of edible oils in domestic market and de-oiled cakes in domestic and international markets. The Company has a Solvent Extraction Plant and a Refinery located at Village Kolari, Tahsil Chimur, Dist. Chandrapur (Maharashtra). A Rehab Scheme (MRS-2004) sanctioned by Hon'ble BIFR, is under implementation. To supplement Own operations, the Company has tied up for custom processing with M/s Cargill (I) Pvt. Ltd.

Industry Structure and Developments

India being the largest importer of edible oils in the world, the domestic edible oil industry plays a pivotal role by way of value addition and saving of precious foreign exchange. On the other hand, with export of oilmeals/ extractions, it contributes to the foreign exchequer, in a big way. With huge consumer market to cater to, industry is marked by entry of big corporates/ multinationals.

Opportunities and Threats

A fast growing economy opens opportunities for this agro-based industry. However, its outlook largely depends on adequate & timely monsoon and favourable government policy.

Business Outlook

In view of ever increasing health awareness & use of Soybean products (Refined oil and other value added products), the Company is optimistic about better performance in near future.

Risks and Concerns

Faced with the vagaries of monsoon, this agro-based industry has to tackle the uncertainties of raw material availability, low capacity utilization and volatile international prices of edible oils & de-oiled cakes.

The Company holds positions in commodities viz. Soyseed, Meal & Oils, by way of contractual obligation for physical trading / at Commodity Exchanges, price fluctuations therein may affect profitability.

Internal Audit Adequacy

The Company's Internal Audit Section operates under the guidance of a Chartered Accountant appointed in consultative capacity, to ensure internal checks and balances in finance and accounting aspects.

Financial Review

This aspect is dealt with in the beginning of this report. However, the Company continues to be a sick industrial unit registered with BIFR, with accumulated losses of Rs. 1533 Lacs, as at 31st March 2010.

Human Resources Relations

Human resources relations remained cordial and the management received full co-operation from the employees during the year. The employee strength as on 31st March 2010 was 84.

Forward looking statement-Cautious Statement

Forward-looking statements in the 'Management Discussion and Analysis' section are based on certain assumptions/expectations of future events and are stated as required by applicable laws and regulations. Actual results could differ materially from those expressed or implied. Major factors that could make the difference to the Company's operations could be agro-climatic conditions, government policy, domestic & international market conditions and such other factors, which are beyond control of the management.

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