



**UMRED AGRO COMPLEX LIMITED**



**ANNUAL REPORT**  
**2012-2013**





### BOARD OF DIRECTORS

Dr. S. G. Parate  
Shri Surendra N. Mishra  
Shri Ravindra Boratkar

Chairman  
Director  
Director

Shri Uday Kamat  
Shri Arvind Bakde

Managing Director  
Whole Time Director

### REGISTERED OFFICE

"SAHAS", 2nd Floor, 64, Bajaj Nagar,  
Nagpur 440010 (INDIA)  
Tel (+) 91- 712- 2242564  
Fax (+) 91- 712- 2249456  
Email: ua\_ngp@umredagro.com  
Website: www.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, Shraddhanand Peth, Nagpur-440 010

### STATUTORY AUDITORS

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

Twenty Sixth Annual General Meeting  
On Saturday, the 28th September 2013 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 Sixth 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 Saturday, the 28th September, 2013 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 2013 and the Balance Sheet as at that date and the Reports of Directors and Auditors thereon.
2. To appoint director in place of Shri Ravindra Boratkar, 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 2013-14 and to fix their remuneration.

Place: Nagpur

Date: 31<sup>st</sup> August 2013

**By Order of Board of Directors**

**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 Friday the 27th September 2013 to Saturday, 28th September 2013 (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 Sixth Annual Report on the business and operations of the Company and financial statements for the year ended 31st March 2013

(Rs. In Lacs)

Financial Results	Year ended on 31-Mar-2013	Year ended on 31-Mar-2012
Sales Turnover	3024.85	5461.97
Job Work/Other Income	355.95	208.97
<b>Total Income</b>	<b>3380.80</b>	<b>5670.94</b>
<b>Profit Before Interest, Depreciation and Tax (PB IDT)</b>	<b>(226.10)</b>	<b>294.64</b>
Interest & Financial Expenses	168.07	142.35
Depreciation	77.62	75.61
Profit /(Loss) Before Tax	(590.52)	76.68
<b>Profit /(Loss) After Tax</b>	<b>(590.52)</b>	<b>76.68</b>
Profit / (Loss) brought forward	(1401.55)	(1478.23)
<b>Profit / (Loss) carried forward</b>	<b>(1992.07)</b>	<b>(1401.55)</b>

### DIVIDEND

For the year ended on 31st March 2013, in the view of the losses, the Directors regret their inability to recommend any dividend.

### OPERATIONS

During year 2012-13, the Company's manufacturing and job work activities were moderate, despite continuity of processing arrangement with M/s Cargill (I) Pvt. Ltd. (Cargill). The Company recorded a Total Income of Rs. 3381 Lacs (Rs.5671 Lacs - Last year), incl. Rs.356 Lacs (Rs. 209 Lacs) towards Job Work Charges. While the Company processed 23498 MT (32146 MT) of Soybean seed in Solvent Plant, it processed 588 MT (2730 MT) of crude oil in Refinery.

During the year, the Company incurred Operating Loss of Rs. 226.10 Lacs (previous year Profit of Rs. 295 Lacs) and a Net Loss of Rs.590.52 Lacs (Profit of Rs. 77 Lacs - Last year) due to high volatility in prices of Soya seeds and crude oil and increase in fuel cost.

### REHAB SCHEME IMPLEMENTATION

In continuation with Modified Rehab Scheme (MRS-2004) sanctioned by Hon'ble BIFR, as per the directives of Hon'ble BIFR, the Company had moved Miscellaneous Application No. 77/2011 and sought relief with respect to Sales Tax Dues & MSEDCL. The Company has submitted a draft MRS during the financial year under review.

### SUBSIDIARY COMPANY AND CONSOLIDATED ACCOUNTS:

The Company had incorporated a new subsidiary Company in last year but it was decided by the management of the Company to shut down the said Company and accordingly the Board of Directors of the Company in its meeting held on 15th May 2013 has given its consent to close down the subsidiary. The subsidiary Company had not started its commercial activities since its incorporation. The necessary formalities are being complied with.

### DIRECTORS

Shri Ravindra Boratkar, Director will retire by rotation at the end of ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors commend to re-appoint him as Director of the Company.

### 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).

#### **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, there were no employees employed throughout the year and were in receipt of remuneration over the maximum limit prescribed under that section.

#### **AUDITORS**

M/s Anil Mardikar & Company, Chartered Accountants, 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.

The Company had obtained the Certificate from the Statutory Auditors of the Company on Corporate Governance Report which is enclosed as annexure to this report.

#### **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.

#### **COST AUDITOR**

The Central Government vide its Orders dated 24/01/2012 and 25/05/2012 made Cost Audit applicable to the class of Industries / Companies including our Company also. Accordingly, the Board of Directors of the Company appointed M/s Ujwal P. Loya & Co., Nagpur, Cost Accountants, to conduct the Cost Audit for Financial Year 2012-13. The Cost Audit Report is to be filed with Registrar of Companies within 180 days from the closure of Books of Accounts.

#### **ACKNOWLEDGEMENT**

Your Directors gratefully acknowledge the unstinted support and co-operation received from the Hon'ble BIFR, ICICI Bank Ltd., Tirupati Urban Co-op. 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: 31<sup>st</sup> August, 2013 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.

##### **1. 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 2012-13, average utilization (for Solvent Plant) being lower, unit consumption for Electricity is higher. Total energy consumption and energy consumption per unit of production as per Form - A of the



## FORM A"

Form for disclosure of Particulars with respect to Conservation of Energy

<b>A</b>	<b>POWER AND FUEL CONSUMPTION</b>	<b>For year 2012-13</b>	<b>For year 2011-12</b>
	<b>Power/ Electricity</b>		
	Purchased Units (Kwh)	9 99 540	16,19,112
	Total Amount (Rs.)	84,58,585	1,12,32802
	Rate (Rs. /Unit)	8.46	6.94
	<b>Coal / Husk (for Boiler &amp; TFHS)</b>		
	Quantity in MT.	1,791	2,288
	Total cost (Rs.)	54,75,958	61,69,546
	Average Rate (Rs./MT)	3,057	2,697
<b>B</b>	<b>CONSUMPTION (Per MT of Processing)</b>	<b>For year 2012-13</b>	<b>For year 2011-12</b>
	Oilseeds Processed (MT)	22498	32146
	Raw Oil Refined (MT)	588	2730
	<b>Electricity (Units per MT of Input)</b>		
	Solvent Plant	46	43
	Refinery	87	86

**"FORM B"**

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

**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

**TECHNOLOGY ABSORPTION AND INNOVATION**

The Company has not imported any technology as yet.

**FOREIGN EXCHANGE EARNING & OUTGOINGS**

The Foreign Exchange Earnings during the financial year 2012-13 was NIL. The outgo for the year under review was also NIL.

Place: NAGPUR Date: 31<sup>st</sup> August, 2013

For and on behalf of the Board  
Dr. S. G. Parate  
CHAIRMAN



## ANNEXURE –2 TO DIRECTORS' REPORT CORPORATE GOVERNANCE REPORT (Pursuant to Clause 49 of the Listing Agreement)

### 1. Company's Philosophy on Code of Governance:

The Company's philosophy on Corporate Governance envisages maintaining a high level of disclosure and transparency in all its operations. It aims at enhancing the shareholders values over a period of time.

### 2. Board of Directors

The Board of Directors of the Company consists of Professionals and Technically qualified Individuals. The Board works through its various committees constituted to oversee specific operational areas. There are 4 committees constituted by the Board of Directors namely Audit Committee, Remuneration Committee, Shareholders' Grievance Committee and Share Transfer

Committee. The total strength of Board as on 31st March 2013 is 5 Directors including 3 Promoter Directors and 2 Independent Directors.

### Meetings of the Board of Directors

The Board of Directors met 4 times during the year under review on following dates:

(1) 15th May 2012 (2) 14th August 2012

(3) 15th November 2012 (4) 15th February 2013

C- NED: Chairman and Non Executive Director;

I- NED: Independent and Non Executive Director

NID- MD: Non Independent Director-Managing Director;

NID-WTD: Non Independent Director-Whole Time Director

Attendance of each Director at Meeting of Board of Directors and last AGM of the Company

Directors	Category	No. of Board Meetings Held	No. of Board Meeting attended	Attendance at Last AGM	No. of Directorship in other Cos.	No. of membership in various committees
Dr. Sharwan G. Parate	CNED	4	4	N	--	NIL
Shri Surendra N Mishra	I-NED	4	2	Y	1	NIL
Shri Ravindra V. Boratkar	I- NED	4	4	N	6	1 Committee
Shri Uday S. Kamat	NID- MD	4	4	Y	4	NIL
Shri Arvind W. Bakde	NID-WTD	4	4	Y	NIL	NIL

### 3. Details of Directors seeking appointment / re-appointment

Shri Ravindra Boratkar

Qualification : B. Sc., M.B.A.

Experience : 27 years experience in Marketing & Advertising

Directorship in other Companies :

- 1) Purti Power and Sugar Limited
- 2) Purti Agrotech Limited

3) MM Active Sci-Tech Communication Pvt, Ltd.

4) Profit Advertisers (I) Private Limited

5) Sci Knowledge Interlinks Pvt. Ltd.

### 4. Audit Committee :

The Audit Committee of the Directors considers matters generally specified in the clause 49 (ii) (D) of the Listing Agreement i.e. suggesting to the Board of Directors, the accounting policies and procedures, Accounting Standards to be implemented.

Members of the Audit committee are as follows:

Sr. No.	Names	Status	Designation
1	Surendra N. Mishra	Independent Non Executive Director	Chairman
2	Shri Ravindra Boratkar	Independent Non Executive Director	Member
3	Dr. S. G. Parate	Promoter - Non Executive Director	Member

The Audit Committee held 4 meetings during the Financial year under review on 15th May 2012, 14th August 2012, 15th November 2012, 15th February 2013.

### 5. Remuneration to Directors

The Board of Directors has constituted a

Remuneration Committee for the purpose of deciding appointment/ re-appointment of Managing Directors/ Whole Time Directors etc and remuneration and compensation payable to them. The Members of the Committee are as follows: