



UMRED AGRO COMPLEX LIMITED

27th

**ANNUAL REPORT
2013-2014**

**UMRED AGRO COMPLEX LIMITED**

Registered Office: 2nd Floor, "Sahas", 64, Bajaj Nagar, Nagpur- 440 010

Attendance Slip for 27th Annual General Meeting**Date:** Tuesday, the 30th September 2014, Time: 4.00 p.m., Place: "Sahas", 64, Bajaj Nagar, Nagpur-400 010.

Signature of the Shareholder / Proxy present

Folio No./Client ID:

Only Shareholders or their proxies will be allowed to attend the meeting.

PROXY FORM**UMRED AGRO COMPLEX LIMITED**

Registered Office: 2nd Floor, "Sahas", 64, Bajaj Nagar, Nagpur- 440 010

I/We _____ of _____
 _____ Member/Members of Umred Agro Complex Limited holding shares in Folio
 No./Client ID _____ hereby appoint _____ of _____
 or failing him _____ of _____ as my/ our proxy to attend and vote
 for me /us and on my/our behalf at the Annual General Meeting of the Company to be held on 30th September,
 2014 and at any adjournment thereof, in respect of such resolutions as mentioned below:

Resolution No.	Resolution	Optional*	
		For	Against
	Ordinary Business		
1	To receive and adopt the Annual Accounts		
2	To re-appoint Dr. S. G. Parate as Director, who retires by rotation		
3	To appoint Statutory Auditors		
	Special Resolution		
4	To appoint Shri Uday Kamat as Managing Director		
5	To appoint Shri Arvind Bakde as Whole Time Director		
6	To Increase the Authorized Share Capital of the Company		

As Witness, I put my hand / or hands this _____ day of _____ 2014.

Signed by the said _____

NOTE:

- The proxy form must be deposited at the Registered Office of the Company at 2nd floor, "Sahas", 64, Bajaj Nagar, Nagpur - 440 010 not less than forty-eight hours before the commencement of the meeting.
- It is optional to put the 'X' in the appropriate column against the resolutions indicated in the Box. If you leave blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Affix
Revenue
Stamp



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BOARD OF DIRECTORS

Dr. S. G. Parate
Chairman

Shri Uday Kamat
Managing Director

Shri Arvind Bakde
Whole Time Director

Shri Surendra N. Mishra
Independent Director

Shri Ravindra Boratkar
Independent Director

STATUTORY AUDITORS

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

COST AUDITORS

M/s Ujwal P. Loya & Co.
62, Hindustan Colony
Wardha Road, Nagpur - 440015

BANKERS

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

Twenty Seventh Annual General Meeting

On Tuesday, the 30th September, 2014 at 4.00 p.m.
At the Registered Office at "Sahas", 64, Bajaj Nagar, Nagpur-440 010

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 - 442903
Tel. (+) 91-7170-244322
Fax (+) 91-7170 244328
Email: kolari@umredagro.com



NOTICE

Notice is hereby given that the **Twenty Seventh Annual General Meeting** of members of Umred Agro Complex Limited will be held at the Registered Office at **"Sahas", 64, Bajaj Nagar, Nagpur - 440 010 on Tuesday, the 30th September, 2014 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, 2014 and the Balance Sheet as at that date and the Reports of Directors and Auditors thereon.
2. To appoint director in place of Dr. S. G. Parate, who retires by rotation at this meeting and being eligible offers himself for re-appointment.
3. To appoint the Statutory Auditors of the Company and fix their remuneration.

SPECIAL BUSINESS:

4. To pass with or without any modification the following resolution as Special Resolution:

"RESOLVED THAT, subject to the Sections 196, 197, Schedule V, and other applicable provisions, if any, of the Companies Act, 2013 and the subject to the provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and the provisions of Articles of Association of the Company (Article No. 143 to 146) and subject to the necessary statutory approvals from Central Government / Authorities, consent of the Company be and is hereby given to appoint **Shri Uday Kamat**, as Managing Director and be recognized as Key Managerial Personnel of the Company for a period of 3 years with effect from 1st October 2014, on the terms and conditions including remuneration as set out in the explanatory statement".

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

5. To pass with or without any modification the following resolution as Special Resolution:

"RESOLVED THAT, subject to the Sections 196, 197, Schedule V, and other applicable provisions, if any, of the Companies Act, 2013 and the subject to the provisions of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and the provisions of Articles of Association of the Company (Article No. 143 to 146) and subject to the necessary statutory approvals from Central Government/ Authorities, consent of the Company be and is hereby given to appoint **Shri Arvind Bakde**, as Whole Time Director and be recognized as Key Managerial Personnel of the Company for a period of 3 years with effect from 1st October 2014, on the terms and conditions as set out in the explanatory statement".

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

6. To pass with or without any modification the following resolution as Special Resolution:

(a) Increase in Authorized Share Capital

"RESOLVED THAT, pursuant to the provisions of Section 13, 64 and other applicable provisions, if any, of the Companies Act, 2013, the Authorised Share Capital of the Company, be and is hereby increased from Rs. 10,00,00,000/- (Rupees Ten Crores Only) divided in to 9,85,000 Equity Share of Rs. 10/- (Rupees Ten Only) each and 15,000 Preference Shares of Rs. 100/- (Rupees One Hundred Only) each, to Rs. 20,00,00,000/- (Rupees Twenty Crores Only) divided in to 19,85,000 Equity Share of Rs. 10/- (Rupees Ten Only) each and 15,000 Preference Shares of Rs. 100/- (Rupees One Hundred Only) each, with power of Company to increase, reduce or modify the Capital and to divide all or any of the shares in the Capital of the Company for the time being, and to classify and reclassify such shares from shares of one class into other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by the Company in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges, conditions or restrictions, in such manner and by such persons as may, for the time being, be permitted under the provisions of the Articles of Association of the Company or legislative provisions for the time being in force, in that behalf."

(b) Alteration in Clause No. V of the Memorandum of Association:

"RESOLVED THAT, the existing Clause V of the Memorandum of Association of the Company, be altered and substituted by the following New Clause:



V. The Authorized Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crores Only) divided in to 19,85,000 Equity Share of Rs. 10/- (Rupees Ten Only) each and 15,000 Preference Shares of Rs. 100/- (Rupees One Hundred Only) each."

(c) Alteration of Clause No. 5 Articles of Association of the Company:

"RESOVLED THAT, pursuant to the provisions of Section 14 of the Companies Act, 2013, Article No. 5 of Articles of Association of the Company be altered by substituting following New Article:

5. The Authorized Share Capital of the Company shall be as mentioned in the Clause V of the Memorandum of Association of the Company."

By Order of Board of Directors

Place: Nagpur
Date: 30th August, 2014

(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 26th September 2014 to Tuesday, 30th September 2014 (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 7 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.

Statement pursuant to Section 102(1) of the Companies Act, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 4 & 5

The tenure of the managerial personnel namely, Shri Uday Kamat, Managing Director and Shri Arvind Bakde, Whole Time Director, ends on the 30th September, 2014. As per the provisions of the Companies Act, 2013, the Board of Directors has proposed to re-appoint both the managerial personnel for the period of three years. Subject to the requisite approvals (from the shareholders at the Annual General Meeting; Central Government, if applicable etc.), their reappointment and revision of remuneration needs to be considered:

The brief introductions of the appointees are as follows:

Shri Uday Kamat, 51, (B.E. (Mech), AICWA, DBM) is associated with the Company as Promoter-Director. He has a wide industrial experience about 31 years. He is looking after overall management of the Company including liaison with Financial Institutions/ Banks. He had been a past Vice President of The Soybean Processors' Association of India, Indore.

Shri Arvind Bakde, 56, is associated with the Company as Promoter-Director. He is Graduate in Electrical Engineering (IIT Delhi) and PGDM in Marketing (IIM Kolkata). He has a wide industrial experience of about 30 years. As Works Director, he looks after Production operations of the plant.

The terms of the appointment of Managing Director and Whole Time Director are as follows:

- Period of Appointment:** 3 years Effective from 1st October 2014.
- Salary:** As under:

Name	Designation	Proposed Salary (Rs.)
Shri Uday Kamat	Managing Director	Basic Rs. 1,12,500 p.m.
Shri Arvind Bakde	Whole Time Director	Basic Rs. 1,05,000 p.m.

- Commission:** 1% of the net profit of the Company computed in the manner referred to in Section 198 and 203 of the Companies Act, 2013.



IV. Perquisites

A) Housing:

- i) The expenditure of the Company on hiring unfurnished accommodation for the Managing Director /Whole Time Director will be subject of ceiling of 60% over and above 10% payable by the Managing Director / Whole Time Director.
- ii) In case the accommodation is owned by the Company, 10% of the salary of the Managing Director /Whole Time Director shall be deducted by the Company.
- iii) In case no accommodation is provided by the Company, the Managing Director /Whole Time Director shall be entitled to HRA subject to ceiling laid down in (i) above.
- a) Reimbursement of Medical Expenses: Medical Expenses incurred by the Managing Director /Whole Time Director for the self and family including dependent mother and father subject to the ceiling of One (1) month salary per year shall be reimbursed.
- b) Personal accident insurance, subject to payment of premium not exceeding Rs. 10,000/- p.a.

These shall be evaluated as per Income Tax Rules where ever applicable and at actual cost to the Company.

B) Other Perquisites

Shri Uday Kamat and Shri Arvind Bakde shall also be eligible to the following perquisites, which shall not be included in the computation of the ceiling on remuneration specified at II above.

- a) Contribution to Provident Fund, Superannuating Fund or Annuity Fund, to the extent these either singly or together are not taxable under Income Tax Act, 1962.
- b) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- c) Encashment of leave at the end of tenure.

All other expenses incurred by them, in connection with the business of the Company to be reimbursed.

The above remuneration is within the ceiling laid down in Sections 198, and 203 read with Schedule V of the Companies Act, 2013, as modified by circulars issued by the Company Law Board/ Ministry of Company Affairs from time to time. Further, other information as required to be provided under Schedule V of the Companies Act 2013 is covered in the Directors' Report and Corporate Governance Report.

In terms of Articles 144 of the Articles of Association of the Company, Shri Uday Kamat and Shri Arvind Bakde, shall not be liable for retirement by rotation during their tenure as Managing Director and Whole Time Director, respectively.

Except Shri Uday Kamat and Shri Arvind Bakde, in their respective resolutions, none of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Special Resolutions set out at Item Nos. 4 & 5 of the Notice.

The Board commends the Special Resolution set out at Item No.7 of the Notice for approval by the shareholders.

Item No. 6:

The Company is a sick industrial unit, as declared by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) and under the Rehab Scheme sanctioned earlier. At the hearing with BIFR held in the month of May, 2014, the BIFR has directed the Company to take steps to make the Net Worth positive & come out of the sickness. Accordingly, the Management of the Company feels a need to infuse additional funds by way of issue of Equity Shares. In this situation, it necessitates increase in the Authorized Share Capital of the Company, hence these resolutions.

The Board of Directors commends to pass the said resolution, unanimously.

None of the Directors of the Company are interested in the said resolution.

By Order of Board of Directors

Place: Nagpur
Date: 30th August, 2014

Arvind Bakde
DIRECTOR



DIRECTORS' REPORT

To
The Members,

Your Directors hereby present their Twenty Seventh Annual Report on the business and operations of the Company and financial statements for the year ended 31st March, 2014.

FINANCIAL RESULTS

(Rs. In Lacs)

Financial Results	Year ended on 31-Mar-2014	Year ended on 31-Mar-2013
Sales Turnover	1152.86	3024.85
Job Work/Other Income	510.64	355.95
Total Income	1663.50	3380.80
Profit Before Interest, Depreciation and Tax (PBITD)	93.35	(226.10)
Interest & Financial Expenses	177.26	168.07
Depreciation	69.93	77.62
Profit /(Loss) Before Tax	(153.84)	(590.52)
Profit /(Loss) After Tax	(153.84)	(590.52)
Profit / (Loss) brought forward	(1992.07)	(1401.55)
Profit / (Loss) carried forward	(2145.91)	(1992.07)

DIVIDEND

For the year ended on 31st March, 2014, in the view of the losses, the Directors regret their inability to recommend any dividend.

OPERATIONS

During year 2013-14, 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. 1664 Lacs (Rs.3381 Lacs - Last year), incl. Rs.511 Lacs (Rs. 356 Lacs) towards Job Work/ Other Income. While the Company processed 32137 MT (23498 MT) of Soybean seed in Solvent Plant. The Crude oil processing carried out in the Refinery was meagre at 243 MT (588 MT).

During the year, the Company incurred Operating Profit of Rs. 93.35 Lacs (Last year loss of Rs. 226.10 Lacs) and a Net Loss of Rs. 153.84 Lacs (Loss of Rs. 590.52 Lacs) 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, the Company had moved Miscellaneous Application No. 77/2011 and sought relief with respect to Sales Tax Dues & MSEDCL. Hon'ble BIFR has advised the Company to come up with a Net Worth positive position within a period of three months, to avoid any adverse decision under the provisions of SICA.

DIRECTORS

Dr. S. G. Parate, Chairman and 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.

The term of Shri Uday Kamat and Shri Arvind Bakde as Managing Director and Whole Time Director respectively is ending on 30th September, 2014. The Board of Directors have proposed to appoint them again on their respective posts. The Remuneration Committee vide its meeting held on 30th August, 2014 has approved their appointment and remuneration as given in the explanatory statement enclosed with Notice of this Annual General Meeting. Members are requested give their consent for appointing them by passing the resolution.

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 (MRS-2004) approved by Hon'ble BIFR, which is under review).

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(I) (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 relevant Sections of the Companies Act, 1956 & 2013, 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, (iii) regarding Sales Tax Dues and iv) Going Concern concept.

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 2013-14.

ACKNOWLEDGEMENT

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

Place: Nagpur
Date: 30th August, 2014

For and on behalf of the Board

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 has continued to use the Flash Heat Recovery Systems in Solvent Plant and in Refinery and make optimum use of steam by reusing condensate for the Boiler.

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 2013-14	For year 2012-13
	Power/ Electricity		
	Purchased Units (KwH)	12,54,684	9,99,540
	Total Amount (Rs.)	101,67,917	84,58,585
	Rate (Rs. /Unit)	8.10	8.46
	Coal / Husk (for Boiler & TFHS)		
	Quantity in MT.	2325	1,791
	Total cost (Rs.)	68,82,954	54,75,958
	Average Rate (Rs./MT)	2961	3,057
B	CONSUMPTION (Per MT of Processing)	For year 2013-14	For year 2012-13
	Oilseeds Processed (MT)	32137	22498
	Raw Oil Refined (MT)	243	588
	Electricity (Units per MT of Input)		
	Solvent Plant	36	42
	Refinery	96	89

“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 2013-14 was NIL. The outgo for the year under review was also NIL.

For and on behalf of the Board

Place: Nagpur
Date: 30th August, 2014

Dr. S. G. Parate
CHAIRMAN