

12th ANNUAL REPORT

UMA PETROPRODUCTS INDIA LIMITED



2003-2004

Uma Petroproducts India Limited

DIRECTORS:	MAHENDRA PANDEY DEVENDRA NATH DUBEY MANESH MUKHERJEE KAMLESH TRIPATHI SURESH KUMAR PANDEY	Chairman & Managing Director Executive Director (Production)
MANAGEMENT:	MAHENDRA PANDEY SURESH KUMAR PANDEY VIRENDRA PANDEY RAVI PANDEY S. K. Singh	Chairman & Managing Director Executive Director (Production) Plant Manager Senior Executive (Marketing) Head (Printing)

AUDITORS : **CHITLANGIA & CO.**
CHARTERED ACCOUNTANTS

**SOLICITORS AND
ADVOCATES :** **M.P.VASHI & CO.**

BANKERS: **ICICI BANK**
DENA BANK
SOUTH INDIAN BANK

REGISTRARS AND SHARE

TRANSFER AGENTS: **PURVA SHAREGISTRY INDIA PVT. LTD.**
33 PRINTING HOUSE
28-D POLICE COURT LANE
FORT, MUMBAI – 400 001.
TEL : 261 7957 / 263 2967
FAX : 262 6407

**REGISTERED OFFICE &
FACTORY ADDRESS:** **SURVEY NO. 208/P – DADRA VILLAGE**
VAPI- SILVAS ROAD
NEAR DADRA CHECK POST
DADRA & NAGAR HAVELI
U. T. 396 191.

CORPORATE OFFICE: **203, ANUPAM, DADABHAI CROSS ROAD NO.2,**
J. P. ROAD,
ANDHERI (W), MUMBAI – 400 058.

Uma Petroproducts India Limited

TWELVETH ANNUAL REPORT 2003-2004

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The Annual General Meeting will be held on Thursday the 30th September, 2004 at 4.00 P.M. at Survey No. 208/P-Dadra Village, Near Dadra Check Post, Vapi-Silvassa Road, Dadra & Nagar Haveli, U.T. 396 191.

Shareholders are requested to bring their copy of Annual Report in the Annual General Meeting.

Uma Petroproducts India Limited

NOTICE

TO THE SHAREHOLDERS

Notice is hereby given that the Twelveth Annual General Meeting of the Members of the Company will be held at "Survey No.208/P – Dadra Village, Near Dadra Check Post, Vapi-Silvassa Road, Dadra & Nagar Haveli U.T. 396 191 on Thursday, 30th September, 2004 at 4.00 P.M. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet and the Profit & Loss Account for the year ended 31st March 2004 and the Directors' Report and Auditors' Reports thereon.
2. To appoint a Director in place of Shri Manesh Mukherjee who retires by rotation and being eligible offers himself for re-election.
3. To appoint M/s B. N. Kedia & Co, Chartered Accountants as Auditors of the company and to fix their remuneration in place of M/s Chitlangia & Co, Chartered Accountants who retire at the ensuing General Meeting.

Explanatory statement as required by section 173 of the companies Act, 1956

Item No.3:

M/s. Chitlangia & Co., Chartered Accountants, the retiring auditors have advised that they do not seek reappointment as the Company's Auditors at the forthcoming Annual General Meeting. The Board of Directors recommend that M/s B. N. Kedia & Co., Chartered Accountants, be appointed as Company's Auditors to hold office till the conclusion of the next Annual General Meeting. The said auditors have given their consent to their appointment as Auditors of the Company. Certificate has been obtained from the said Auditors that appointment, if made, will be in accordance with the limits specified in sub – section (1B) of the Companies Act, 1956.

The Directors place on record their appreciation of the valuable services rendered by M/s. Chitlangia & Co., Chartered Accountants, as Auditors.

Accordingly, it is proposed to appoint M/s B. N. Kedia & Co., Chartered Accountants, as the Statutory Auditors of the Company.

For and on Behalf of the Board of Directors

Place: Mumbai
Dated: 8th September 2004

Mahendra Pandey
Chairman

Registered Office:
Survey No.208/P, Dadra Village,
Opp. Fusion Polymers,
Vapi-Silvas Road,
Dadra & Nagar Haveli (U.T.) 396 191

Uma Petroproducts India Limited

NOTES: -

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHALL BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY -EIGHT HOURS BEFORE THE TIME FIXED FOR HOLDING THE MEETING IN DEFAULT, THE INSTRUMENT OF PROXY SHALL NOT BE TREATED AS VAILD.
2. The Company had already notified closure of Register of Members and Share Transfer Books of the Company from Tuesday, September 28, 2004 to Wednesday, September 29, 2004 (both days inclusive).
3. M/s. Purva Sharegistry India Pvt. Ltd., 33 Printing House, 28-D Police Court Lane, Fort, Mumbai 400 001 has been appointed as Registrar and Share Transfer Agents (STA) of the company. All communications in respect of share transfer and change in the address of the members may be communicated to them.
4. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificate to the STA/Company.
5. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which shall be made available on request) to the STA, M/s. Purva Sharegistry India Pvt. Ltd.

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DIRECTORS' REPORT

To
THE SHAREHOLDERS

Your Directors submit their Report and the Audited Accounts of the Company for the year ended 31st March 2004

1. FINANCIAL RESULTS

The result for the current year and those for the previous year are set out in this paragraph

	2003-2004 (Amt. in Rs.)	2002-2003 (Amt. in Rs)
Profit before Depreciation and Interest	(2776309)	(18521412)
Less:- Provision for Depreciation	4763425	4749879
Interest	18272	13143030
Profit / (Loss) before Tax	(7558006)	(36414321)
Less: Deferred Tax	NIL	NIL
Profit / (Loss) after Tax	(7558006)	(36414321)
Balance brought forward from previous year	(111759906)	(75345585)
Profit / (Loss) carried to Balance Sheet	(119317912)	(111759906)

DIVIDEND

The Board of Directors does not recommend any dividend on Equity shares for the year under consideration on account of adverse business conditions and losses suffered.

OPERATIONS

The above results for the year ended on the 31st March 2004 are not comparable with that of previous year as the Company was operational only for 3 months in the previous year on account of illegal and arbitrary locking of factory premises of your Company by Gujarat State Financial Corporation (GSFC) in November 2001. On 10th January 2003 possession was obtained from GSFC pursuant to the order of the Honourable DRT – I Mumbai. The operations of the Company have remained badly affected due to the prolonged closure of the unit. At present also company is operating much below its installed capacity for want of working capital. All the efforts are being taken to run it as efficiently as possible under the prevailing situation and constraints.

Polymer prices have increased tremendously putting pressure on your company. Due to this increase in price, order booking have been badly affected.

BUSINESS

In spite of various constraints your company was able to procure reasonably good orders. Sales of the company picked up after few months and showed continuous increase except in monsoon season. Your directors are taking all reasonable care and steps to run the company efficiently. In the same line main focus was on Job Work orders where working capital requirement is very low, this relieves the company from shortage of working capital to certain extent. Another major step was shift from Diesel based fuel to Electricity. Now, your company's plant runs on electricity, this will improve the operation of the company on account of savings in fuel cost.

FINANCIAL

Finance is the major hurdle for your company. Due to prolonged closure getting finance for working capital will not be easy. Your Directors are taking all necessary steps to generate the required capital from internal sources. Which includes among others reducing credit period to customers, trying to get

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more orders on "Payment Against Delivery" basis, focusing more on Job Work orders, tight control on expenses, reduce production wastage etc.

OUTLOOK FOR THE COMPANY

Keeping in view all the facts your Directors will take all necessary precautions and steps to improve the working result of the company. For this Company is trying to explore new markets, clientele with good track record. To meet the intermittent requirement of funds Company has started taking orders on Job Work Basis. Further orders are booked on payment against delivery basis so as to reduce the burden of working capital.

REGISTRATION WITH BOARD OF INDUSTRIAL & FINANCIAL RECONSTRUCTION

Your company has been registered with the Board as a Sick Company under Case No.471/2002. Necessary steps for formulation of reconstruction scheme are been carried out.

LISTING

The Equity Shares of the Company are listed on Mumbai Jaipur and Ahmedabad Stock Exchanges. The Company has paid the Annual Listing Fees to the Mumbai Stock Exchange for the year 2004-2005.

DIRECTORS

Mr. Manesh Mukherjee would retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

As specifically required under the Companies Act, 1956, your Directors state:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii. that such accounting policies have been selected which have been applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company in the Balance Sheet as at the end of the financial year ended 31st March, 2004 and of the Profit and Loss Account for the said financial year, i.e. April 1, 2003 to March 31, 2004.
- iii. that 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 have been taken from the day Factory came to the possession of the management.
- iv. that the Annual Accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

A Report on Corporate Governance in compliance with the Mumbai Stock Exchange Listing Agreement is attached and forms part of this Report.

PARTICULARS OF EMPLOYEES

The Company does not have any employee whose particulars are required to be given pursuant to the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

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PARTICULARS UNDER SECTION 217 (1) (e) of the Companies Act, 1956

In accordance with the requirements of section 217 (1) (e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Director) Rules, 1988, statement showing particulars with respect to conservation of energy is given in the Annexure.

AUDITORS

M/s. Chitlangia & Co., Chartered Accountants, the Auditors of the Company would retire at the ensuing Annual General Meeting and have intimated to the Company about their desire to discontinue as the Statutory Auditors of your Company. Accordingly Your Directors recommend the name of M/s B. N. Kedia & Co, Chartered Accountants, who have consented to act as the Auditors of the Company, to appoint as the Auditors of the Company till the conclusion of the next Annual General Meeting.

AUDITORS' REPORT

The Auditors report on Accounts to the shareholders does not contain any qualification.

ACKNOWLEDGEMENTS

The Directors wish to place on record their deep appreciation for the services rendered by the officers, staff and workers at all level, and their dedication and loyalty.

FOR AND ON BEHALF OF THE BOARD

Mumbai, 8th September 2004

MAHENDRA PANDEY
CHAIRMAN



Uma Petroproducts India Limited

ANNEXURE TO DIRECTORS' REPORT

Disclosure of particulars with respect to conservation of Energy, technical absorption, Foreign Exchange earning and outgo as required under Companies (Disclosure of Particulars in the report of Board of Directors) Rule, 1988 and forming part of the Report of Board of Directors for the year ended 31st March, 2004.

A. CONSERVATION OF ENERGY :

(a) Energy Conservation Measures Taken:

All possible efforts were made during the period, to ensure reduction in consumption of Electricity & fuel.

(b) Additional Investment in Proposal if any, being implemented for reduction of consumption of energy:

No additional investment is envisaged.

(c) Impact of above measures:

As a result of measures taken by the Company, consumption of electricity and fuel has been kept at reasonable level.

B. TECHNOLOGY ABSORPTION :

The company has not adopted any foreign technology for its products.

C. FOREIGN EXCHANGE EARNING AND OUTGO :

There were no foreign exchange inflows or outflows during the year.

FORM A

Form of disclosure of particulars with respect to conservation of energy.

	Year Ended 31.3.2004	Year Ended 31.3.2003
(A) Power & Fuel Consumption		
1. Electricity		
(a) Purchased Units	55323	NIL
Total Amount	163171	NIL
Average Rate Per Unit	2.95	NIL
(b) Own Generation		
Units	241549	10334
Total Amount	792281	33894
Average Rate Per Unit	3.28	3.28
2. Coal	—	—
3. Furnace oil		
Quantity (K. Ltrs.)	—	—
Total Amount (Rs. in Lacs.)	—	—
Average Rate (Rs/K. Ltrs)		
4. Other / Internal Generation	—	—

B) Consumption Per Unit of Production

In view of multiplicity of products, not ascertainable.