

13th ANNUAL REPORT

UMA PETROPRODUCTS INDIA LIMITED

2004-2005

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 : | B. N. KEDIA & 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

NOTICE

TO THE SHAREHOLDERS

Notice is hereby given that the 13TH Annual General Meeting of the Company will be held on Friday, the 30th day of September 2005 at 04:00 P.M. at Registered office of the Company, to transit the following business :

Ordinary Business:

1. To Consider and adopt the audited Balance Sheet as at 31, March 2005, Profit and Loss accounts for the year ended on the date, and the report of the Board of Director and Auditors thereon.
2. To appoint a Director in place of Shri Devendra Nath Dubey, who retires by rotation and being eligible offers him for re-appointment.
3. To appoint a Director in place of Sheri Kamlesh Tripathi, who retire by resolution and being eligible, offer him for re- appointment.
4. To appoint M/s B. N. Kedia & Co, Chartered Accountants, the retiring Auditor of the Company, as Auditor who shall hold office from Conclusion from this Meeting, unit the Conclusion of the Next Annul General Meeting and to fix their remuneration.

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

Item No.4:

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.

BY ORDER OF THE BOARD OF DIRECTOR

Mahendra Pandey
CHAIRMAN

Place : Mumbai

Dated : 8th September, 2005

Registered Office:

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

Uma Petroproducts India Limited

NOTES: -

1. Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him self and the proxy need not be a Member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than before the commencement of the meeting.

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

3. Member /Proxies should fill the attendance slip for attending the Meeting.

4. In case of joint holders attending the meeting, only one joint holder who is higher in the order of name will be entitled to vote.

5. Member who hold the shares in dematerialized form are requested to write their Client ID and DPID number and those Who hold shares in physical form are requested to write their Folio Number in attendance slip for attending the meeting.

6. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except Sunday Between 11.00 A.M. to 1.00 A.M. up to the Annual General Meeting,

7. (A) The Company has decided to closure of register of Member, and transfer books thereof from Saturday, 27th September 2005 to Tuesday, the 29th September, 2005 (both days inclusive) for the purpose of A.G.M.

8. consequent upon the introduction of sec. 109A of the Companies Act 1956, share holders are entitled to make nomination in respect of shares held by them in physical form, share holders desirous of making nomination are requested in form to be (which will be made available on request) To the registrar and transfer agent M/S Purva Sharegistry India Private limited,

9. Queries on accounts and operations of the Company, if any, may please be send to the Company seven days in advance of the meeting so that the answers may be available at the meeting.

10. Members are requested to bring their personal copy of the Annual Report to the meeting.

Uma Petroproducts India Limited

DIRECTORS' REPORT

To
THE SHAREHOLDERS

Your Directors submit their Report and the Audited Accounts of the Company for the year ended 31st March 2005.

1. FINANCIAL RESULTS

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

| | 2004-2005 (Amt. in Rs.) | 2003-2004 (Amt. in Rs.) |
|--|----------------------------|----------------------------|
| Profit before Depreciation and Interest | (208431) | (2776309) |
| Less:- Provision for Depreciation | (2955552) | 4763425 |
| Interest | 19645 | 18272 |
| Profit / (Loss) before Tax | (3183628) | (7558006) |
| Profit / (Loss) after Tax | (3183628) | (7558006) |
| Balance brought forward from previous year | (119317912) | (111759906) |
| Profit / (Loss) carried to Balance Sheet | (122501540) | (119317912) |

DIVIDEND

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

OPERATIONS

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.

BUSINESS

The company sales were reduced by 20% due to working capital problem this problem arises because company has to purchase raw material by making an advance payment to creditors like Reliance and IPCL, but sales on a credit of 3 to 4 months. The Management had taken the decision regarding cost cutting, job work and to do business in other areas, which was highly profitable with less working capital requirement. This management decisions helps the company to reduce his loss drastically even sale was reduced

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 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. This year company had reduced current year s loss drastically compare to previous years inspite working capital constraints. 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.

Uma Petroproducts India Limited

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.Devendra Nath Dubey & Mr. Shri Kamlesh Tripathi would retire by rotation at the ensuing Annual General Meeting and are 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 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, 2005 and of the Profit and Loss Account for the said financial year, i.e. April 1, 2004 to March 31, 2005.
- 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.

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.

Uma Petroproducts India Limited

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,

**MAHENDRA PANDEY
CHAIRMAN**



Uma Petroproducts India Limited

MANAGEMENT'S DISCUSSION & ANALYSIS

The management of Uma Petroproducts India Limited presents the analysis of performance of the Company for the year 2004 – 05 and its outlook for the future. This outlook is based on the assessment of the current business environment. It may vary due to future economic and other developments, both in India and abroad.

OVERVIEW:

The Company is in poly packaging industry. The prices of LDPE/LLDPE the main raw materials have shown upward trend. This has resulted in increase in cost of manufacture. Looking at current scenario it is expected that the prices may continue to increase as is evident from the increase in petroleum products. This may affect the order booking of the company.

BUSINESS ENVIRONMENT:

With continuous increase in use of packaged food and food products general business environment is good. There is a continuous increase in use of packaging material and this trend will continue with increase in use of packed food. In India use of packed food has not yet reached to its peak, there is still large areas to be tapped up and as and when it happens it will have a reciprocal effect on demand of packaging material.

PERFORMANCE:

The company's performance during the year ended 31st March, 2005 was as under

| | 2004-2005 | 2003-2004 |
|---------------------|-----------|-----------|
| Sales (Rs. In Lacs) | 80.11 | 102.60 |
| PBDIT (Rs. In Lacs) | (2.28) | (27.76) |
| PBIT (Rs. in lacs) | (31.83) | (75.39) |
| PBDIT / Sales (%) | (2.85) | (27.05) |

OUTLOOK:

Your company is focussing more on Job Work to feed the immediate working capital requirement, trying to penetrate new markets and clientele for better results.

INTERNAL CONTROL SYSTEM:

The company has adequate internal control system.

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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, 2005.

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 31.3.2005 | Year Ended 31.3.2004 |
|--------------------------------|-------------------------|-------------------------|
| (A) Power & Fuel Consumption | | |
| 1. Electricity | | |
| (a) Purchased Units | 117413 | 55323 |
| Total Amount | 370447 | 163171 |
| Average Rate Per Unit | 3.16 | 2.95 |
| (b) Own Generation | | |
| Units | NIL | 241549 |
| Total Amount | NIL | 792281 |
| Average Rate Per Unit | NIL | 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.

Uma Petroproducts India Limited

Report on Corporate Governance

(A) CORPORATE GOVERNANCE PHILOSOPHY

The Company is committed to good Corporate Governance. The Company has been following good principle of business over the years by following all laws and regulations of the land with an emphasis on accountability and integrity. The code of Corporate Governance emphasises the transparency of system to enhance the benefits to shareholders, customers, creditors and employees of the company. Your company has complied with the requirements of the Corporate Governance Code as disclosed herein below:

(B) BOARD OF DIRECTORS

THE board of the Company comprises the following Directors, having wide range of skills and experience in the field of management and industrial activities.

| Name of the Director | Category of Directorship | No. of Meetings held during the Year 2004 – 05 | No. of Meetings attended | No. of other Directorship | No. of other Committee Membership | at last AGM |
|-------------------------|------------------------------------|--|--------------------------|---------------------------|-----------------------------------|-------------|
| Mr. Devendra Nath Dubey | Director Non-Executive Independent | 5 | 5 | — | — | Yes |
| Mr. Mahendra Pandey | Chairman & Managing Director | 5 | 5 | — | — | Yes |
| Mr. Suresh Kumar Pandey | Director Executive | 5 | 4 | — | — | Yes |
| Mr. Manesh Mukherjee | Director Non-Executive Independent | 5 | 5 | 1 | 2 | Yes |
| Mr. Kamlesh Tripathi | Director Non-Executive Independent | 5 | 5 | — | — | Yes |

(C) DATES OF BOARD MEETING

The Board Meetings were held during the year under review on the following dates:
30th April 2004, 30th July 2004, 30th September 2004, 29th October 2004 and 25th January 2005.

(D) COMMITTEES OF DIRECTORS

a) Audit Committee

The Audit Committee was constituted on 26th March 2003 and its terms of reference and role are as prescribed by Clause 49 of the Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956 and by the Board from time to time.

During the year 2004 – 05 the committee met 4 times. The composition of the Audit Committee and the attendance of the members is as under:

| Name of the Director | Designation | Meetings attended |
|-------------------------|-------------|-------------------|
| Mr. Manesh Mukherjee | Chairman | 4 |
| Mr. Devendra Nath Dubey | Member | 4 |
| Mr. Kamlesh Tripathi | Member | 4 |

All the above Directors are Non-Executive and Independent.