

# UFM INDUSTRIES LIMITED

MEHERPUR, SILCHAR - 788015  
ASSAM



**19th ANNUAL REPORT**

**2004-2005**

**BOARD OF DIRECTORS**

- (1) Sri Mahabir Prasad Jain, Managing Director
- (2) Smt. Tara Mani Devi Jain
- (3) Sri Suresh Kumar Beria
- (4) Sri Vishal Jain
- (5) Sri Yogesh Jain

**AUDITORS**

M/s. Raj Ratan & Co.  
Chartered Accountants  
Gauri Kishan Towers,  
A. T. Road, Rail Gate No. 7  
Guwahati (Assam)

**BANKERS**

United Bank of India

**REGISTERED OFFICE**

Meherpur,  
Silchar - 788015,  
Assam.

**FACTORIES**

- (a) Meherpur, Silchar - 788015 (Assam)
- (b) Balajan, Gauripur - 783331 (Assam)

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**UFM INDUSTRIES LIMITED**

Directors' Report

**DIRECTORS' REPORT**

To  
The Members,  
UFM Industries Ltd.  
Meherpur, Silchar.

Your Directors have the pleasure in presenting before you the 19th Annual Report and Audited Accounts of the Company for the year ended on 31st March 2005.

**1. FINANCIAL RESULTS**

The operating result of the Company for the year under review are as follows:

	Rs. in lacs	Rs. in lacs
	31-03-2005	31-03-2004
Incomes	2234.74	3261.83
Expenses	2189.49	3215.99
Operating Profit	45.25	45.84
Interest	7.81	10.53
Depreciation	36.49	36.21
Profit before tax	0.95	(0.90)
Less: Taxation		
Current	(7.96)	(5.38)
Deferred	8.05	9.31
Profit after tax	1.04	0.87

**2. OPERATIONS**

The total Income for the year was Rs. 2234.74 lacs as compared to the income for the previous year of Rs. 3261.83 lacs. Since your Company has not made sufficient Profit during the year under review, your directors have not recommended any dividend.

**3. AUDITORS**

M/S Raj Ratan and Co., Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Auditors have furnished a certificate stating that, their appointment, if made, will be within the limit laid down under section 224(1B) of the Companies Act, 1956.

**4. DIRECTORS**

Smt. Taramani Devi Jain and Shri Vishal Jain are retiring by rotation at the Annual General Meeting and are eligible for re-appointment.

**5. PERSONNEL**

In accordance with the requirement of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees' rules) 1975. It is stated that no employee of the Company was in receipt of remuneration aggregating to Rs. 24,00,000/- or more per annum and Rs. 2,00,000/- or more per month, if employed for part of the year.

**6. CONSERVATION OF ENERGY**

The information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies

**UFM INDUSTRIES LIMITED****Directors' Report**

(Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 is enclosed with this report marked as Annexure 'A'.

**7. TECHNOLOGY ABSORPTION**

The information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 is enclosed with this report marked as Annexure "B".

**8. FOREIGN EXCHANGE EARNING AND OUT GO**

There was no earning of Foreign Exchange during the year under review. There was no out go in Foreign Exchange during the year under review.

**9. DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956 your Directors state :

i) That the Annual Accounts for the year ended 31<sup>st</sup> March, 2005 have been prepared following applicable accounting standards and there is no material departure in this regard.

ii) That the accounting policies are applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the loss of the Company for the year ended on that date.

iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) That the annual accounts have been prepared on a going concern basis.

**10. CORPORATE GOVERNANCE**

A report on Corporate Governance is annexed herewith. Auditors Report on the same is also annexed.

**11. ACKNOWLEDGEMENT**

Your Company is grateful for the co-operation and continued support extended by the Department of Food & Civil Supplies, Food Corporation of India and other departments in Central Governments, Government of Assam, Banks, Insurance Companies, Customers & Suppliers. The Board of Directors greatly appreciates the dedicated service rendered by the all employees of your Company. The future prospects of the Company are bright and it would be the Company's endeavour to merit the confidence of all share holders.

**FOR AND ON BEHALF OF THE BOARD**

**REGISTERED OFFICE :**  
Meherpur, Silchar-788015  
Assam.

Date : 1<sup>st</sup> September, 2005.

**(Mahabir Prasad Jain)**  
**Managing Director**

## UFM INDUSTRIES LIMITED

Corporate Governance Report

**CORPORATE GOVERNANCE REPORT****1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Your company has been practicing good Corporate Governance over the years upholding its true traditions and values. The company has not only put in place the system for compliance or regulatory requirement but also the system for customer satisfaction and meeting the expectations of its share holders, employee and the society. It is the philosophy of the company to continue to have accountability, transparency and integrity in all its business transactions and practices.

**2. BOARD OF DIRECTORS:**

- (a) The composition of the Board of Directors, the attendance of each Director on Board Meetings & the last Annual General Meeting (AGM) and also the number of other Board of Directors or Board Committees of which he/she is member/chairman, are as under :

Sl. No.	Name of the Director	Category	Attendance particulars		Directorship	No. of other Committee Membership	Committee Chairman -ships
			Board Meetings	Last AGM			
1.	Sri M.P. Jain M.D.	Executive	11	Yes	3	-	-
2.	Smt. T.M. Jain	Promoter Non-executive	8	Yes	-	1	-
3.	Sri S.K. Beria	Independent Non-executive	10	Yes	-	1	1
4.	Sri V. Jain	Promoter Non-executive	6	Yes	2	1	1
5.	Sri Y. Jain	Promoter Non-executive	7	Yes	1	1	-

- b) During the financial year ended March 31, 2005, the Board held 11 meetings on 05.04.04, 17.05.04, 28.06.04, 12.07.04, 02.08.04, 28.08.04, 20.09.04, 18.10.04, 22.11.04, 17.01.05 and 14.03.05.

**3. AUDIT COMMITTEE**

- a) The Audit Committee is to observe the company's financial reporting process and disclosure of its financial information, to recommend the appointment of Statutory auditors and fixation of their fees, to review and discuss with the Auditors about internal control system, adequacy of the internal control system, major accounting policies, practices and entries, compliance with accounting standards and listing agreements entered into with the stock exchanges and other legal requirements concerning financial statement and related party transaction, if any, to review the company's financial and risk management policies, to review the quarterly, half-yearly and annual financial statements before they are submitted to the Board of Directors.
- b) The composition of Committee and attendance of its Member as on 31st March 2005 is as follows:

		No. of Meetings held	No. of Meeting attended
a)	Sri S.K. Beria	Chairman	4
b)	Sri V. Jain	Member	3
c)	Sri Y. Jain	Member	3

**UFM INDUSTRIES LIMITED**

Corporate Governance Report

**4. REMUNERATION COMMITTEE :**

The company does not have formal remuneration committee. No sitting fees is paid to non-executive Directors for attending meetings of the Board of Directors or Committee thereof. Further the remuneration of the managing Director is decided by the Board of Directors subject to approval of share holders in general meeting. Details of sitting fees, remuneration etc. paid to directors: Shri Mahabir Prasad Jain, Managing Director has been paid remuneration of Rs. 1,80,000.00 during the year 2004-05.

**5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE :**

The Company's shareholders cum investors grievance committee looks into various matters relating to :

- a) Expedious redressal of investor grievances.
- b) Transfer and transmission of shares.
- c) Issue of duplicate share certificates.
- d) Approving of split and consolidation requests
- e) All other matters related to shares.

The chairman of the committee is Sri V.Jain, Director with Sri S.K.Beria, Director and Smt. T.M.Jain as its members. Sri M.P.Jain, Managing Director, acts as compliance officer.

During the year under review, your company received complaints from shareholders relating to non-receipt of annual report and non-receipt of shares sent for transfer. The complaints were duly attended to any there were no complaints pending at the year end.

**6. GENERAL BODY MEETINGS :**

Location and time where three Annual General Meetings were held is given below :

Financial Year	Location of the Meeting	Date	Time	No. of special resolution passed
2001 - 02	Meherpur, Silchar-788 015, Assam	30-09-02	11:00a.m.	NIL
2002 - 03	Meherpur, Silchar-788 015, Assam	30-09-03	2:00p.m	NIL
2003 - 04	Meherpur, Silchar-788 015, Assam	30-09-04	2:00p.m.	NIL

The members passed all the resolutions set out in the respective notices.

There were no resolution put through postal ballot last year. There is no business at the ensuing Annual General Meeting requiring implementation of the postal ballot under the applicable rules.

**7. DISCLOSURES :**

The Company has not entered into any transaction of a material nature with the promoters, Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company. The register of contracts containing transactions, in which directors are interested, is placed before the board regularly.

The Company has complied with the requirements of the ties on capital market  
and no penalties / strictures have been imposed against it during the last 3 years.

**UFM INDUSTRIES LIMITED**

Corporate Governance Report

**8. MEANS OF COMMUNICATION :**

The Board of Directors takes the quarterly results of the company on record. Half Yearly reports are not being sent to each household of the shareholders.

**9. GENERAL SHAREHOLDERS' INFORMATION :****i) Annual General Meeting**

Date and Time : 30th September, 2005 at 2.00 pm  
Venue : Meherpur, Silchar - 788015

**ii) Financial Calendar**

Financial Year - April to March  
Financial reporting (Tentative)  
First Quarter results - Fourth week of July, 2005  
Half Yearly results - Fourth week of October, 2005  
Third Quarter results - Fourth week of January, 2006  
Fourth Quarter results - Fourth week of April, 2006  
**iii) Dates of book closure:** Monday 19<sup>th</sup> September, 2005 to Monday 26<sup>th</sup> September, 2005.  
(Both days inclusive)

**iv) Dividend :**

The Board of Directors have not recommended dividend for the year 2004-2005.

**v) Listing of Stock exchanges :**

- i) Gauhati Stock Exchanges Ltd. Saraf Building Annexe, A.T.Road, Guwahati-1.
- ii) The Calcutta Stock Exchange Association Ltd.  
7, Lyons Road, Kolkata- 700001.
- iii) The Stock Exchange, Mumbai  
Phiroze Jeejeebhoy Tower,  
Dalal Street, Mumbai-400001

**vi) Stock Code : Physical**

- I. Gauhati Stock Exchange Ltd.
- II. The Calcutta Stock Exchange Association Ltd.
- III. The Stock Exchange, Mumbai-831610

**vii) MARKET PRICE DATA / STOCK MARKET DATE :** There were no trading of Company's shares at Gauhati Stock Exchange and Calcutta Stock Exchange during the year under consideration and Stock Exchange, Mumbai

**viii) Register & Share Transfer Agent :**

Niche Technologies Pvt. Ltd.  
D-511, Bagree Market,  
71, B.R.B. Basu Road,  
Kolkata - 700001  
Ph. : 22357270 / 7271 / 3070  
Fax : 91-033-22156823  
Email : [nicheteehpl@nicheteehpl.com](mailto:nicheteehpl@nicheteehpl.com)



**UFM INDUSTRIES LIMITED**

Corporate Governance Report

**ix) SHARE TRANSFER SYSTEM :**

Transfer of shares held in physical mode is processed by Niche Technologies Pvt.Ltd. and approved by the share transfer committee. Transfer of the share is effected and share certificates are despatched within a period of 30days from the date of receipt, if the relevant documents are complete in all respects.

**x) Distribution of share holding as on 31<sup>st</sup> March, 2005.**

Sl. No.	Number	of	Shares	No.of Holders	% to Total	No.of Shares	% to Total
1.	UPTO	-	500	1022	64.97	250,900	4.23
2.	501	-	1,000	213	13.54	209,400	3.53
3.	1,001	-	5,000	249	15.83	634,500	10.70
4.	5,001	-	10,000	41	2.61	321,600	5.42
5.	10,001	-	50,000	30	1.91	652,400	11.00
6.	50,001	-	100,000	7	0.45	527,691	8.90
7.	100,001	-	AND ABOVE	11	0.70	3,336,109	56.23
<b>TOTALS</b>				<b>1,573</b>	<b>100.00</b>	<b>5,932,600</b>	<b>100.00</b>

**XI) Categories of share holdings as on 31<sup>st</sup> March, 2005.**

No.of Equity Shares Held	No. of Share Holders	% of Share Holders	No.of Shares Held	% of Share Holding
INDIVIDUALS	1549	98.47	2,189,300	36.90
CORPORATES	8	0.51	1,894,280	31.93
PROMOTERS	16	1.02	1,849,020	31.17
<b>TOTAL</b>	<b>1,573</b>	<b>100.00</b>	<b>5,932,600</b>	<b>100.00</b>

**xii) Dematerialization of Shares and liquidity**

The Company's equity share capital has not been dematerialized till date.

**xiii) Outstanding GDR / Warrants or convertible bonds conversion dates and likely impact on equity : Not applicable.****xiv) PLANT LOCATIONS :**

Unit I : Meherpur, Silchar - 788015, Assam

Ph. : (03842) 234322/241538

Fax: (03842) 241539

Unit II : Balajan, Gauripur - 783331, Dhubri, Assam

Ph. (03662) 287568/230460

Fax.. (03662) 230460

**XV) ADDRESS FOR CORRESPONDENCE :**

Shareholders correspondence should be addressed to the company' Registrar and share Transfer Agent at the address given here in above correspondence may also be addressed to the company at Meherpur, Silchar-788015, Ph. (03842) 234322 / 241538 Fax : (03842) 241539.



**UFM INDUSTRIES LIMITED**

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Auditors' Certificate

**AUDITORS' CERTIFICATE**

**To**  
**The Members of**  
**UFM Industries Ltd.**

We have reviewed the compliance of conditions of Corporate Governance by UFM Industries Ltd. for the year ended on March 31, 2005, as stipulated in clause 49 of the listing agreement of the said company with various Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion to the best of our information and according to the explanation given to us and the representations made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance stipulated in clause 49 of the above mentioned Listing Agreements with the Stock Exchanges.

No investors grievance(s) is/are pending for a period exceeding one month against the company as per the records maintained by the company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For Rajratan & Company**  
**Chartered Accountants**

**Place : Guwahati**  
**Date : 17.08.2005**

**Sanjay Kumar Jain**  
**Partner**

UFM INDUSTRIES LIMITED

## UFM INDUSTRIES LIMITED

Directors' Report

**ANNEXURE 'A'**  
**FORM 'A'**  
(See Rule 2)

**FORM FOR DISCLOSURE OF PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY**

**A. POWER AND FUEL CONSUMPTION :**

1. Electricity	Previous Year	Current Year
(a) Purchases		
Unit K.W.H	28,97,776	25,76,781
Total Amount	1,18,50,563	1,09,52,605
*Rate/Unit	4.09	4.25
(b) Own Generation		
(i) Through Diesel Generator Set		
(a) Units generated	96,212	NIL
(b) Units per litre of diesel Oil	4.11	NIL
(c) Average cost per unit	5.10	NIL
(ii) Through Steam	NIL	NIL
Turbine / Generator Set		
Unit per Ltr. of fuel Oil/Gas		
2. Coal(Specify and were used)		
Quantity	NIL	NIL
3. Furnace Oil		
Quantity (K. Ltrs)		
Total Amount	NIL	NIL
Average Rate	NIL	NIL
4. Other/internal Generation		
Quantity		
Total Cost	NIL	NIL
Rate/Unit		

**B. CONSUMPTION PER UNIT OF PRODUCTION**

Wheat Products (in M.T.)	38,507	33,439
Electricity (in K.W.H. per MT)	77.75	77.04
Furnace Oil	NIL	NIL
Coal	NIL	NIL
Other (specify)	NIL	NIL