

UFM INDUSTRIES LIMITED

MEHERPUR, SILCHAR – 788 015
ASSAM



26th ANNUAL REPORT

2011-2012

BOARD OF DIRECTORS	(1) Sri Mahabir Prasad Jain, (Managing Director) (2) Sri Dipak Ladia (3) Sri Avishek Jain (4) Sri Poonam Chand Deewani
COMPANY SECRETARY	Smt. Jyoti Jain
AUDITORS	M/S. Anil Hitesh & Associates. Chartered Accountants Barak Market, 1 st Floor N.S.Avenue, Rangirkhari Silchar - 788 005 (Assam)
BANKERS	United Bank Of India
REGISTERED OFFICE	Meherpur, Silchar - 788 015 Assam
FACTORIES	(a) Meherpur, Silchar - 788 015 (Assam) (b) Balajan, Gauripur - 783 331 (Assam)

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NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the Members of UFM Industries Limited shall be held on Saturday, the 29th day of September, 2012 at the Registered office of the Company at Meherpur, Silchar – 788 015 (Assam) at 2:00 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Avishek Jain who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint auditors and fix their remuneration.

**BY ORDER OF THE BOARD
For UFM Industries Limited**

REGISTERED OFFICE :

Meherpur, Silchar- 788 015
Assam

Date : The 5th Day of September, 2012

**Jyoti Jain
Company Secretary**

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMENCEMENT OF THE MEETING.
2. All document referred to in the accompanying Notice are open for inspection at the Registered office of the company during Business hours on all working days between 11.00 a.m. and 1.00 p.m. up to the date of Annual General Meeting.
3. Members / Proxies should bring the attendance slip duly filled in for attending the meeting.
4. Shareholders seeking any information with regard to Accounts are requested to write to the company at least 7 days in advance so as to enable the management to keep the information ready.
5. The Register of Members and Share Transfer book of the company shall remain closed from 24th September, 2012 to 29th September, 2012 (both days inclusive).
6. Members are requested to immediately intimate any change in their address Registered with the Company quoting their respective folio number (s).
7. As a measure of economy, the practice of distributing copies of the Annual Report at the Meeting has been discontinued. Members / Proxies are requested to bring their copies of the Annual Report to the meeting.

Details of Directors, pursuant to Clause 49 of the Listing Agreement, seeking appointment/re-appointment in the forthcoming Annual General Meeting, is as follows:

Name of Directors	AVISHEK JAIN
Date of Birth	26.05.1982
Date of Appointment	01.01.2011
Qualification	Bachelors in Electronics
List of Companies in which outside Directorship held as on 31st March' 2012	Nirvana Enterprises Pvt. Ltd. Lalit Projects Pvt. Ltd. Hari Trafim Pvt. Ltd. Pinnacle Commercial Pvt. Ltd. Arihant Sugar Ltd. Goldstone Cements Ltd. Lalit Cement Pvt. Ltd. Leonine Vanijya Pvt. Ltd. Nidhi Creative Infrastructure Pvt. Ltd.
Chairman/Members of the Committees of the Board of Companies on which he is a Director as on 31st March' 2012	
Shareholding in UFM Industries Ltd.	0.83%

BY ORDER OF THE BOARD
For UFM Industries Ltd.

REGISTERED OFFICE :

Meherpur, Silchar-788 015
Assam
Date : The 5th Day of September, 2012

Jyoti Jain
Company secretary

DIRECTORS' REPORT

To
The Members,
UFM Industries Ltd.
Meherpur, Silchar

Your Directors have the pleasure in presenting before you the 26th Annual Report and Audited Accounts of the Company for the year ended on 31st March, 2012.

1. FINANCIAL RESULTS

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

	Rs. in lacs	Rs. in lacs
	31-03-2012	31-03-2011
Incomes	2218.08	2498.82
Expenses	2166.12	2440.60
Operating Profit	51.96	58.22
Interest	10.54	14.90
Depreciation	15.33	13.88
Profit before tax	26.09	29.44
Less: Taxation		
Current	6.84	7.73
Deferred	(6.21)	0.61
Profit after tax	25.46	23.96

2. OPERATIONS

The total Income for the year was Rs. 2218.08 lacs as compared to the income for the previous year of Rs. 2498.82 lacs. The Company has recorded a profit of Rs.25.46 lacs during the year under review. To enable the company to augment and conserve money for long term working capital requirement, the Board of Directors do not recommend dividend this year.

3. AUDITORS

M/S Anil Hitesh and Associates, Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. 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 and that they are not disqualified for reappointment within the meaning of section 226 of the said Act.

The Notes on Accounts referred to in the Auditors Report are self explanatory and do not call for any further comments.

4. DIRECTORS

Shri Avishek Jain, Director, retire by rotation and being eligible, offer himself for re-appointment at the ensuing Annual General Meeting.

5. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review as stipulated under clause 49 of the listing agreement with the Stock Exchanges in India is presented in a separate section forming part of the Annual Report.

6. 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.60,00,000/- or more per annum and Rs.5,00,000/- or more per month, if employed for part of the year.

7. CONSERVATION OF ENERGY

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 'A'.

8. 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".

9. 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.

10. OUTLOOK FOR THE FUTURE AND EXPANSION

Your Directors are pleased to inform you that your Company is setting up a new Flour Mill in Agartala in partnership with Mr. Vishal Jain and Mr. Avishek Jain in the name and style of M/s Lalit Flour Mills. The estimated cost of the Project is Rs. 14 Crores. The land required for the project is being leased from the Tripura Industrial Development Corporation Ltd.

11. 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 31st March, 2012 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 profit 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.

12. CORPORATE GOVERNANCE

The Company has taken proactive steps to ensure that the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement with the Stock Exchange are complied with. A separate report on Corporate Governance together with Auditors' Certificate on its compliance are included in the Annual Report.

13. 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 : 5th September, 2012

(Mahabir Prasad Jain)
MANAGING DIRECTOR

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

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

A. POWER AND FUEL CONSUMPTION :

	Current Year 31.03.2012	Previous Year 31.03.2011
1. Electricity		
(a) Purchases		
Unit K.W.H	24,83,160	26,94,091
Total Amount	1,30,68,690	1,25,24,953
*Rate/Unit	5.26	4.65
(b) Own Generation		
(i) Through Diesel Generator Set		
(a) Units generated	NIL	NIL
(b) Units per litre of diesel Oil	NIL	NIL
(c) Average cost per unit	NIL	NIL
(ii) Through Steam	NIL	NIL
Turbine / Generator Set		
Unit per Ltr. of fuel Oil/Gas		
2. Coal (Specify if 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.)	26238	24,365
Electricity (in K.W.H. per MT)	94.64	110.57
Furnace Oil	NIL	NIL
Coal	NIL	NIL
Other (specify)	NIL	NIL

ANNEXURE "B"

FORM "B"

Form for Disclosure of particulars with respect to Technology Absorption:

RESEARCH AND DEVELOPMENT (R&D)

1. Specific Areas in which R & D carried out by the Company : NIL
2. Benefits derived as a result of the above R & D : N.A.
3. Future plan of action : -
4. Expenditure on R & D : N.A.
 - a) Capital
 - b) Recurring
 - c) Total
 - d) Total R & D expenditure as a percentage of total turn over.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation and innovation : Technology required for better products applications and better quality have been adopted and are being developed / improved indigenously.
2. Benefits derived as a result of the above efforts, e.g. product Improvement, cost reduction and product development, import substitution etc. : Achievement of better capacity utilisation.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished : N.A.
 - (a) Technology imported :
 - (b) Year of import :
 - (c) Has technology been fully absorbed ? :
 - (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action :

UFM INDUSTRIES LIMITED
CORPORATE GOVERNANCE REPORT FOR THE YEAR 2011-12

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 the details of directorship (calculated as per provisions of Section 275 and 278 of the Companies Act, 1956) committee / memberships/chairmanships, held by directors in public companies as on 31/03/2012 :

Sl. No.	Name of the Director	Category	Board Meetings	Last AGM	Directorship	No. of other Committee Membership	Committee Chairmanships
1	Sri M.P.Jain M.D.	Executive	10	Yes	4	-	-
2	Sri Deepak Ladia	Independent Non-executive	5	Yes	-	2	1
3	Sri V.Jain	Promoter Non-executive	5	No	2	2	1
4	Sri Y.Jain	Promoter Non-executive	4	No	1	2	-
5	Sri Avishek Jain	Promoter Executive	9	Yes	2	2	-
6	Sri Poonam Chand Deewani	Independent Non-executive	3	Yes	-	2	-

Notes:

- The information provided above pertains to the following committees in accordance with the provisions of Clause 49 of listing agreement:
 - Audit Committee
 - Shareholders'/Investors' Grievances Committee
 - Membership of committees includes chairmanship, if any.
 - Shri Yogesh Jain and Shri Vishal Jain resigned from Directorship of the Company with effect from 22.08.2011 and 05.09.2011 respectively.
- (b) During the financial year ended March 31, 2012, the Board held 10 meetings on 27.05.11, 30.07.11, 16.08.11, 22.08.11, 05.09.11, 20.09.11, 30.09.11, 15.10.11, 18.10.2011 and 14.01.2012.

3. CODE OF CONDUCT

The Board has laid down a code of conduct for all the Board members and senior management of the Company.

The Company has obtained the confirmation of the Compliances with the Code from all its Board members and senior management personnel. As required by Clause 49 of the Listing Agreement, the declaration on