

# UFM INDUSTRIES LIMITED

MEHERPUR, SILCHAR – 788 015  
ASSAM



---

**29<sup>th</sup> ANNUAL REPORT**

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**2014-2015**

**BOARD OF DIRECTORS** (1) Sri Mahabir Prasad Jain, (Managing Director)  
(2) Sri Deepak Ladia (Independent Director)  
(3) Sri Avishek Jain (Director and CFO)  
(4) Sri Poonam Chand Deewani  
(Independent Director)  
(5) Smt. Tara Jain (Non-Executive Director)

**COMPANY SECRETARY** Smt. Jyoti Jain

**AUDITORS** M/S. Anil Hitesh & Associates.  
Chartered Accountants  
Barak Market, 1<sup>st</sup> Floor  
N.S.Avenue, Rangirkhari  
Silchar -788005( 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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## **NOTICE**

**NOTICE** is hereby given that the 29th Annual General Meeting of the Members of UFM Industries Limited shall be held on Wednesday, the 30<sup>th</sup> day of September, 2015 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 31<sup>st</sup> March, 2015 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To consider and if thought fit, to pass with or without modification(s), the following resolution as  
an Ordinary Resolution:  
“RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013(the “Act”) read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014(including any Statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s Anil Hitesh & Associates, Chartered Accountant, (ICAI Firm Registration No. 325406E) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting to be held for the financial year 2016-17 on a remuneration to be fixed by the Board of Directors of the Company.”

### **SPECIAL BUSINESS**

3. To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Ms.Tara Jain (DIN: 00545789) who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 23<sup>rd</sup> March, 2015 to hold office upto the Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom notice under section 160 of the Companies Act, 2013 has been received by the Company from a member signifying his intention to propose her as candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Mr. Aviskek Jain (DIN: 01383018) who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 14<sup>th</sup> April, 2015 to hold office upto the Annual General Meeting and in terms of Section 161 of the Companies Act, 2013 and in respect of whom notice under section 160 of the Companies Act, 2013 has been received by the Company from a member signifying his intention to propose him as candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

5. To consider and if thought fit, to pass with or without modification(s) the following as a Special Resolution:

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014(including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Mahabir Prasad Jain (DIN: 00498001) as Managing Director of the Company, for a period of 5 (five) years with effect from 1<sup>st</sup> July, 2015 as per the following terms:

- Remuneration of Rs. 1.00 lacs per month with effect from 1<sup>st</sup> July, 2015.
- Employer Contribution to Provident Fund and Gratuity is s per the Company's policy.
- The Company will provide the Managing Director a Car with Driver and Telephone. Provision of car for use of Company's business and Telephone at Residence shall be provided for Company's work.

With liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Mahabir Prasad Jain, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

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

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

**REGISTERED OFFICE :**

Meherpur, Silchar- 788015.

Assam.

(CIN:L153111AS1986PLC002539)

Date : The 3<sup>rd</sup> Day of September, 2015.

**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 COMMENCEMENT OF THE MEETING.

2. A Member can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act proxy for any other person or shareholder.
3. 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.
4. Members / Proxies should bring the attendance slip duly filled in for attending the meeting.
5. 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.
6. The Register of Members and Share Transfer Book of the company shall remain closed from 21<sup>st</sup> September, 2015 to 30<sup>th</sup> September, 2015 (both days inclusive) in terms of Section 91 of the Companies Act, 2013 and Clause 16 of the Listing Agreement with the Stock Exchanges.
7. Members are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc from the Company electronically.
8. Members are requested to immediately intimate any change in their address Registered with the Company quoting their respective folio number (s).

9. 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.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number by every participant. Members are therefore requested to submit their PAN details to the Company or the Registrar and Share Transfer Agent of the Company.
9. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special business under Item no. 3 and 4 set out in the Notice is annexed hereto.
10. Details of Directors, pursuant to Clause 49 of the Listing Agreement, seeking appointment/re-appointment in the forthcoming Annual General Meeting, is as follows:

<b>Name of Directors</b>	Tara Jain	Avishek Jain	Mahabir Prasad Jain
<b>Date of Birth</b>	16.03.1955	26.05.1982	10.11.1950
<b>Date of Appointment</b>	23.03.2015	14.04.2015	04.06.1986
<b>Qualification</b>	HSLC	B.E	B.Com
<b>List of Companies in which outside Directorship held as on 31<sup>st</sup> March' 2015</b>	1. Arihant Sugar Ltd  4. Shri Lalit Cold Storage Pvt.Ltd.  10. Radio Supply Stores (Cinema) Pvt.Ltd	1.Nirvana Enterprises Pvt. Ltd. 2. Lalit Projects Pvt. Ltd 3.Hari Trafin Pvt.Ltd 4.Pinnacle Commercial Pvt.Ltd. 5. Arihant Sugar Ltd 6. Goldstone Cements Ltd. 7. Lalit Cement Pvt.Ltd 8. Leonine Vanijya Pvt.Ltd. 9. Nidhi Creative Infrastructure Pvt.Ltd 10. Shri Lalit Realcon Pvt.Ltd 11. Bonus Dealers Pvt.Ltd	1.Namokar Marketing Ltd. 2. Arihant Sugar Ltd 3.Sethi Oil Field & Services Pvt.Ltd 4. Shri Lalit Cold Storage Pvt.Ltd. 5. Prag India Cement Pvt.Ltd 6. Shri Lalit Realcon Pvt.Ltd. 7. Goldstone Cements Ltd. 8. Lalit Cement Pvt.Ltd. 9. Nidhi Creative Infrastructure Pvt.Ltd 10. Radio Supply Stores (Cinema) Pvt.Ltd 11. Harak Chand Investments Ltd 12. Bonus Dealers Pvt.Ltd
<b>Chairman/Members of the Committees of the Board of Companies on which he is a Director as on 31<sup>st</sup> March' 2015</b>	-	-	-
<b>Shareholding in UFM Industries Ltd.</b>	5.63%	0.83%	6.36%
<b>Relationship with Managing Director of the Company</b>	Spouse	Son	Self

## **ANNEXURE TO THE NOTICE**

### **Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.**

#### **ITEM NO. 3 and 4.**

As per the provisions of Section 149 (1) of the Act and amended Clause 49 of the Listing Agreement, the Company should have at least one woman Director.

Keeping in view of the above legal requirements and in deference to Company's Shareholders wishes, the Board of Directors has proposed that Ms. Tara Jain be appointed as Director of the Company.

The Company has received Notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Tara Jain and Mr. Avishek Jain for the office of Directors of the Company.

Ms. Tara Jain and Mr. Avishek Jain are not disqualified from being appointed as Directors in terms of Section 164 of the Act and has given their consent to act as Directors of the Company. Ms. Tara Jain holds 334108 equity shares and Mr. Avishek Jain holds 49000 equity shares in the Company.

Mr. Avishek Jain has been looking after the day to day operations and finance department of the company. He has rich experience in the field of finance and general business management.

Ms. Tara Jain and Mr. Avishek Jain may be deemed to be concerned or interested, financially or otherwise, to the extent of their aforesaid shareholding in respect of their appointment as Directors. Mr. Mahabir Prasad Jain who is their relative and the Managing Director of the company and their other relatives to the extent of their shareholding interest in the company, may be deemed to be concerned or interested in the appointment of Ms. Tara Jain and Mr. Avishek Jain.

Save and except as above, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in at Item No. 3 and 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 3 and 4 of the Notice for approval by the Shareholders.

#### **ITEM NO. 5**

The Board of Directors of the Company (the 'Board'), at its meeting held on 1<sup>st</sup> July, 2015 has, subject to the approval of members re-appointed Mr. Mahabir Prasad Jain as Managing Director, for a period of 5 (five) years from the expiry of his present term, which expired on 30<sup>th</sup> June, 2015, at the remuneration recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

It is proposed to seek the members approval for the re-appointment of and remuneration payable to Mr. Mahabir Prasad Jain as Managing Director in terms of the applicable provisions of the Act.

The particulars of the terms of re-appointment of and remuneration payable to Mr. Mahabir Prasad Jain is as under:

- Remuneration of Rs. 1.00 lacs per month with effect from 1<sup>st</sup> July, 2015.
- Employer Contribution to Provident Fund and Gratuity is s per the Company's policy.
- The Company will provide the Managing Director a Car with Driver and Telephone. Provision of car for use of Company's business and Telephone at Residence shall be provided for Company's work.

Mr. Mahabir Prasad Jain satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Mr. Mahabir Prasad Jain is having vast experience in Food Processing Industry. It is in the best interest of the company to continue him as the Managing Director.

Mr. Mahabir Prasad Jain is interested in the resolution set out at Item No. 5 of the Notice which pertains to his re-appointment and remuneration payable to him.

The relatives of Mr. Mahabir Prasad Jain may be deemed to be interested in the resolution set out at Item NO. 5 of the Notice to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Shareholders.

BY ORDER OF THE BOARD  
For UFM Industries Ltd.

REGISTERED OFFICE :  
Meherpur, Silchar-788015.  
Assam.

Date : The 3<sup>rd</sup> Day of September, 2015.

**Jyoti Jain**  
Company secretary

## **DIRECTORS' REPORT**

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

Your Directors have the pleasure in presenting before you the 29th Annual Report and Audited Accounts of the Company for the year ended on 31<sup>st</sup> March, 2015.

### **1. FINANCIAL RESULTS**

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

	<b>Rs. In lacs</b>	<b>Rs. in lacs</b>
	<b>31-03-2015</b>	<b>31-03-2014</b>
Incomes	3753.93	3379.24
Exceptional & Extraordinary item	-	10.01
Expenses	3654.80	3292.49
Operating Profit	99.13	96.76
Interest	25.97	32.69
Depreciation	39.92	20.52
Profit before tax	33.24	43.55
Less: Taxation		
Current	9.98	8.98
Tax of Earlier year	-	2.18
Deferred	1.45	0.74
Profit after tax	21.81	31.65

### **2. OPERATIONS**

The total Income for the year was Rs. 3753.93 lacs as compared to the income for the previous year of Rs. 3379.24 lacs. The Company has recorded a profit of Rs.21.81 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, (ICAI Firm Registration No. 325406E), Chartered Accountants, Statutory Auditors the retiring auditors, during the Annual General Meeting held on 30.09.2014, were appointed from the conclusion of 28<sup>th</sup> Annual General Meeting until the conclusion of 31<sup>st</sup> Annual General Meeting, subject to ratification by members at every Annual General Meeting in terms of Section 139 of the Companies Act, 2013. The Auditors have furnished a certificate stating that, their appointment, if made, will be within the limit laid down under section 139 of the Companies Act, 2013 and that they are not disqualified for reappointment within the meaning of section 141 of the said Act. The Board of Directors, therefore, recommends ratification of appointment for F.Y. 2015-16 of M/S Anil Hitesh and Associates, (ICAI Firm Registration No. 325406E), Chartered Accountants, as Statutory Auditors of the Company for the approval of Shareholders.

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



#### **4. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr. Avishek Jain, Director of the company resigned from the Directorship of the Company w.e.f. 23<sup>rd</sup> March, 2015. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company Ms.Tara Jain and Mr. Avishek Jain were appointed as Additional Directors w.e.f 23<sup>rd</sup> March, 2015 and 14<sup>th</sup> April, 2015 respectively and they shall hold office upto the ensuing Annual General Meeting. Their appointment as directors to retire by rotation is being sought in the ensuing Annual General Meeting, on being demanded by members for which necessary notices have been received by the Company.

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered with Stock Exchanges. In the opinion of the Board they fulfil the conditions of independence as specified in the Act and the Rules made there under and are independent of the management.

Pursuant to the provisions of Section 203 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Section 188 read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 Mr. Avishek Jain was appointed as CFO of the Company w.e.f. 23<sup>rd</sup> March, 2015. He has been looking after the day to day operations and finance department of the company since few years. He has rich experience in the field of finance and general business management.

#### **5. CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR:**

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and Clause 49 of the Listing Agreement.

**Independence:** In accordance with the above criteria, a Director will be considered as an 'Independent Director' if he/ she meets with the criteria for 'Independent Director' as laid down in the Act and Clause 49 of the Listing Agreement.

**Qualifications:** A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is also ensured that the Board has an appropriate blend of functional and industry expertise. While recommending the appointment of a Director, the Nomination and Remuneration Committee considers the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

**Positive Attributes:** In addition to the duties as prescribed under the Act, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment. Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.

#### **6. EVALUATION OF PERFORMANCE OF BOARD OF DIRECTORS**

The Directors of your Company are in a fiduciary position, empowered to oversee the management functions with a view to ensure its effectiveness and enhancement of stakeholder's value.

The Board provides and critically evaluates strategic direction, management policies and their effectiveness on your Company. Their objective is also to ensure that the long term interests of the shareholders are being served.

Independent Directors are appointed not merely to fulfil the statutory requirement but to provide strategic direction and guidance and provide constructive support to management by asking the right questions and generating quality debates and discussions on major decisions. The Board of Directors is at the core of your Company's corporate governance practice and oversees how the management serves and protects the long term interests of the stakeholders. Yout Directors believe that an active, well informed and independent Board is necessary to ensure the highest standards of corporate governance.

## **7.EXTRACT OF ANNUAL RETURN**

Extract of Annual Return of the Company is annexed herewith as ANNEXURE “A” to this Report.

## **8. MEETINGS OF THE BOARD.**

Six meetings of the Board of Directors were held during the year. For further details, please refer report on Corporate Governance forming part of the Annual Report.

## **9. RELATED PARTY TRANSACTIONS**

All Related Party Transactions that were entered into during the financial year were on arm’s length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Agreement.

Details of the transactions with Related Parties are provided in the accompanying financial statements.

## **10..DEPOSIT :**

The Company has not accepted any deposits during the year under review.

## **11.PARTICULARS OF LOANS GIVEN, GUARANTEES GIVEN AND INVESTMENTS MADE**

The particulars of loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient are provided in the financial statement.

## **12. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The provisions Corporate Social Responsibility is not applicable to the company.

## **13. 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.

## **14. SECRETARIAL AUDITOR**

The Board has appointed Mr. Pravin Kr. Chhajer, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2015 is annexed herewith marked as ANNEXURE ‘B’ to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## **15.INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements.

## **16. PARTICULARS OF EMPLOYEES AND REMUNERATION**

The information required under section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as ANNEXURE ‘C’.

In accordance with the requirement of Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 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.