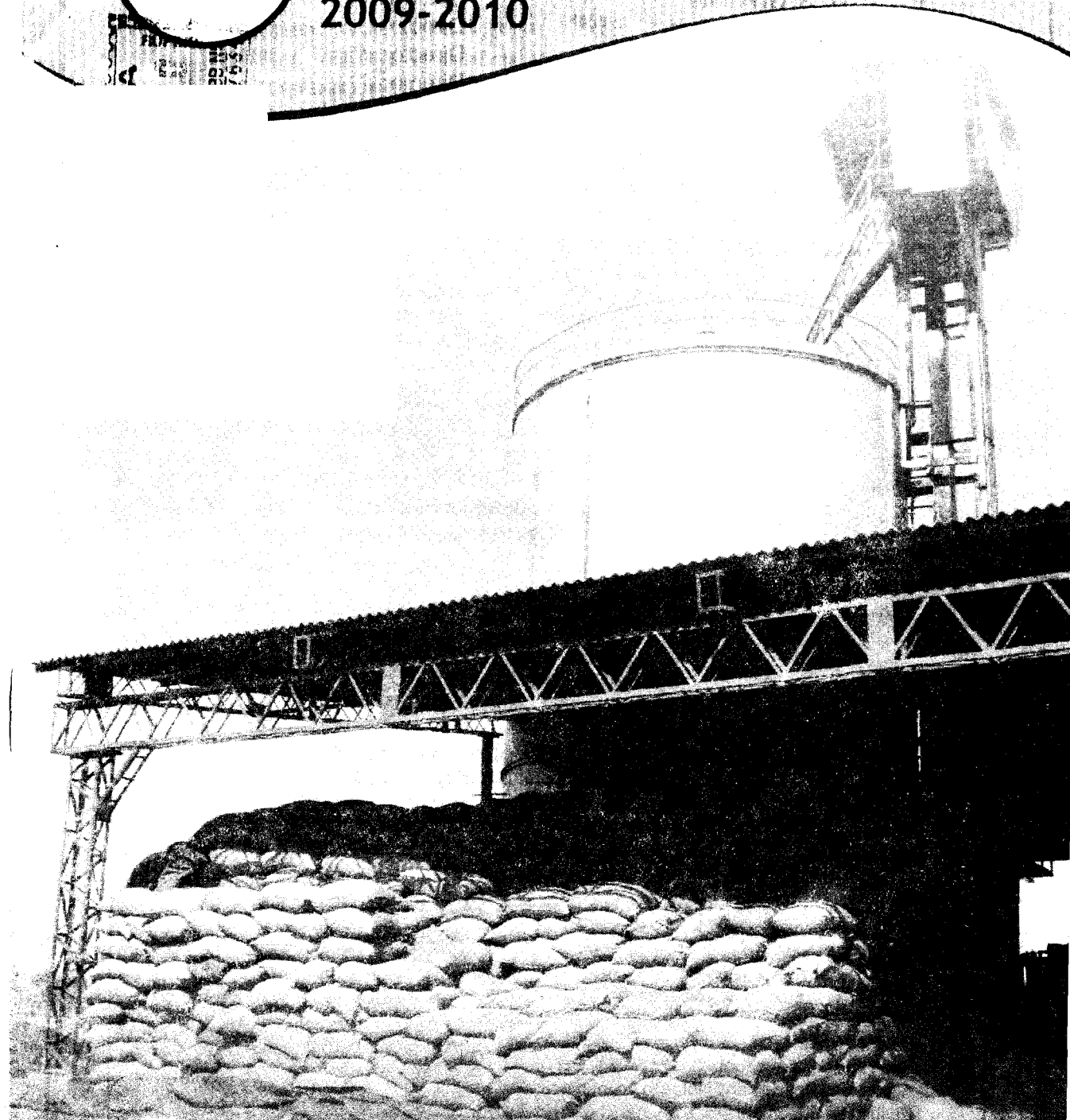


**23<sup>rd</sup>**

**ANNUAL REPORT  
2009-2010**



**UMRED AGRO COMPLEX LIMITED**



### BOARD OF DIRECTORS

Dr. S. G. Parate	Chairman
Shri Nitin Gadkari	Director
Shri Ravindra Boratkar	Director
Shri Surendra N. Mishra	Director
Shri Uday Kamat	Managing Director
Shri Arvind Bakde	Whole Time Director

### REGISTERED OFFICE

"Harsh Villa", 1<sup>st</sup> Floor,  
232, Hill Road, Shivaji Nagar  
Nagpur 440010 (INDIA)  
Tel (+) 91-712-2242564/2249788  
Fax (+) 91-712-2249456  
Email: ua\_ngp@umredagro.com

### WORKS

Village: Kolari, Tahsil : Chimur  
Dist.: Chandrapur (M. S.)  
Tel (+) 91-7170-244322 / 244323  
Fax (+) 91-7170 244328  
Email: kolari@umredagro.com

### BANKERS

**M/s Tirupati Urban Co-operative Bank Ltd.**  
172, Shradhanand Peth, Nagpur-440 010

### AUDITORS

**M/s ANIL MARDIKAR & CO.**  
11, Laxmi Vaibhav Complex  
Laxmi Nagar Square, Nagpur - 440010

**Twenty Third Annual General Meeting**  
On Wednesday, the 29<sup>th</sup> September 2010 at 4.00 p. m.  
At Saraswat Sabhagrudha, Plot No. 88/1, Bajaj Nagar, Nagpur-10

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## NOTICE

Notice is hereby given that the **TWENTY THIRD ANNUAL GENERAL MEETING** of Members of **UMRED AGRO COMPLEX LIMITED** will be held at **SARASWAT SABHAGRUHA**, Plot No. 88/1, Bajaj Nagar, Nagpur-440 010 on Wednesday, the **29<sup>th</sup> September, 2010** at **4.00 p.m.**, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the Year ended on 31<sup>st</sup> March 2010 and the Balance Sheet as at that date and the Reports of Directors and Auditors thereon.
2. To appoint director in place of Shri Nitin Gadkari, who retires by rotation at this meeting and being eligible offers himself for re-appointment.
3. To appoint the Statutory Auditors of the Company for the financial year 2010-11 and to fix their remuneration.

**By Order of Board of Directors**

Place: Nagpur

Date: 14<sup>th</sup> August 2010

Arvind Bakde

DIRECTOR

### Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and such Proxy need not be a member. A proxy so appointed shall not have any right to speak at the meeting. Proxy forms, in order to be effective must be received by the Company not less than forty-eight hours before the scheduled time for the meeting.
2. The Register of Members and Share Transfer Book of the Company will remain closed from 28<sup>th</sup> September 2010 to 29<sup>th</sup> September 2010 (Both days inclusive).
3. Members are requested to bring with them their copies of the accounts and reports at the meeting.
4. Members are requested to send their queries, if any, in writing at least 10 days in advance of the date of the meeting.
5. Members/ Proxies are requested to bring the Attendance Slip attached herewith, duly filled in, for attending the meeting.



## DIRECTORS' REPORT

To

The Members,

Your Directors hereby present their Twenty Third Annual Report on the business and operations of the Company and financial statements for the year ended 31<sup>st</sup> March 2010.

(Rs. In Lacs)

Financial Results	Year ended on 31-Mar-2010	Year ended on 31-Mar-2009
Sales Turnover	1827.01	1495.84
Custom Processing Charges / Other Income	381.94	573.34
<b>Total Income</b>	<b>2208.95</b>	<b>2069.18</b>
<b>Profit Before Interest, Depreciation and Tax (PBITD)</b>	<b>198.48</b>	<b>222.33</b>
Interest & Financial Expenses	110.53	131.44
Depreciation	76.31	80.35
Profit / (Loss) Before Tax	11.64	10.54
<b>Profit / (Loss) After Tax</b>	<b>11.64</b>	<b>9.87</b>
Profit / (Loss) brought forward	(1544.82)	(1554.69)
<b>Profit / (Loss) carried forward</b>	<b>(1533.17)</b>	<b>(1544.82)</b>

### DIVIDEND

For the year ended on 31<sup>st</sup> March 2010, in the view of the accumulated losses, despite of marginal profits, the Directors regret their inability to recommend any dividend.

### OPERATIONS

During year 2009-10, the Company continued with its processing arrangement with M/s Cargill India Pvt. Ltd. (Cargill). However, the year under review has turned out to be a disappointing one due to unfavourable market conditions, with lower processing volumes from Cargill.

The Company achieved a Total Income of **Rs. 2208.95 Lacs**, including **Rs. 381.94 Lacs** towards Custom Processing Charges. While the Company processed 26237 MT in Solvent Plant, it processed 3041 MT in Refinery.

During the year, market conditions remained unfavourable and margins were negative during most of the oil season. Nevertheless, the Company achieved an operating profit of **Rs.198.48 Lacs**.

### FUTURE OUTLOOK

For Kharif Season 2010-11, the average rainfall this year has been in the normal range, till date. As per the report from SOPA, Indore, All India area under Soybean cultivation is likely to be 93.08 Lac Ha.

The area for Maharashtra is likely to be 25.91 Lac Ha. The Soya crop position, while, reportedly satisfactory in Vidarbha, sowing area is reduced due to good MSP for Cotton and Pulses. The yield estimates, however, have to be suitably factored considering variations in agro-climatic conditions.

The Company's processing arrangement with Cargill shall continue during year 2010-11. With financial assistance available from M/s Tirupati Urban Cooperative Bank Ltd., your Company proposes to step up Own processing operations. The management is looking forward to a favourable processing season, ahead.

### REHAB SCHEME IMPLEMENTATION

During the year, a Modified Rehab Scheme (MRS-2004) sanctioned by Hon'ble BIFR was under implementation.

### DIRECTORS

Shri Nitin Gadkari, shall retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. Having a vast experience in the field of Business & Administration, the Company shall get benefited under his valuable guidance.

**INSURANCE:**

Fixed and Current Assets of the Company are adequately insured.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOINGS.**

Additional information in accordance with provisions of Section 217(l) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given Annexure 1 of this report.

**PERSONNEL**

In respect of particulars of employees, as required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, during the period under review, there were no employees employed throughout the year and were in receipt of remuneration of Rs. 24,00,000/- or above and employed for part of the year and were in receipt of Rs. 2,00,000/- p.m. or above.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm:

1. That in the preparation of annual accounts, the applicable accounting standards having generally been followed along with proper explanation relating to material departure.
2. That the Directors have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of state of affairs of the Company, at end of the financial year and of the profit and loss of the Company for that period.
3. That the Directors have taken 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.
4. That the Directors have prepared the annual accounts on a going concern basis (based on the Modified Rehab Scheme approved by Hon'ble BIFR being under implementation).

**AUDITORS**

M/s Anil Mardikar & Company, Chartered Accountants (FRN-100454W), Auditors of the Company retire at ensuing Annual General Meeting and being eligible offer themselves for reappointment. The company has obtained a certificate as required under Section 224 (1-B) of the Companies Act, 1956, from the Auditors to the effect that their reappointment, if considered, would be in conformity with the limit specified in the said section.

**COMMENTS ON THE AUDITORS' REPORT**

About the observations made in the Auditors' Report and Annexure thereto, in the opinion of the management, the Company is consistent in its policy regarding (i) treatment of retirement benefits, (ii) valuation of stock of Finished Goods and Work in Progress and (iii) regarding Sales Tax Dues.

**ACKNOWLEDGEMENT**

Your Directors gratefully acknowledge the unstinted support and co-operation received from the Hon'ble BIFR, ICICI Bank Ltd., MNP Group, PURTI Group, Cargill, esteemed customers, shareholders and suppliers, during the year under review.

Place: Nagpur For and on behalf of the Board

Date: 14<sup>th</sup> August 2010

Sd/-

Dr. S. G. Parate  
CHAIRMAN

**ANNEXURE 1 TO THE DIRECTORS' REPORT**

Additional information in accordance with provisions of Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report.

**CONSERVATION OF ENERGY**

- a. The Company uses the Flash Heat Recovery Systems in Solvent Plant and in Refinery and makes optimum use of steam by reusing condensate for the Boiler.
- b. During 2009-10, average utilization (SEP/Refinery) being lower, unit consumption for Coal is more. Further, the company was benefitted by supply of steam from M/s Yash Agro Energy Ltd.
- c. Total energy consumption and energy consumption per unit of production as per Form - A of the Annexure to Rule.

**FORM A"**

Form for disclosure of Particulars with respect to Conservation of Energy

<b>A) POWER AND FUEL CONSUMPTION</b>	<b>For year 2009-10</b>	<b>For year 2008-09</b>
<b>Power/ Electricity</b>		
Purchased Units (Kwh)	14,71,968	22,70,196
Total Amount (Rs.)	85,22,300	1,16,17,460
Rate (Rs. /Unit)	5.79	5.12
<b>Coal / Husk (for Boiler &amp; TFHS)</b>		
Quantity in MT.	3,427	3,557
Total cost (Rs.)	74,64,006	64,24,919
Average Rate (Rs./MT)	2,178	1,806

<b>B) CONSUMPTION (Per MT of Processing)</b>	<b>For year 2009-10</b>	<b>For year 2008-09</b>
Oilseeds Processed (MT)	26,238	37,918
Raw Oil Refined (MT)	3,042	5,187
<b>Electricity (Units per MT of Input)</b>		
Solvent Plant	46	47
Refinery	91	94
<b>Coal/ Fuel Consumption (In MT per MT of Input)</b>		
Solvent Plant	0.105	0.073
Refinery	0.224	0.155

**"FORM B"**

(Form for disclosure of particulars in respect of Technology Absorption, Adaptation and Innovation)

**TECHNOLOGY ABSORPTION AND INNOVATION**

The Company has not imported any technology as yet.

**RESEARCH AND DEVELOPMENT**

The company shall continue its efforts towards reduction of utilities consumption (Power/Hexane/ Chemicals) and improvement in production processes.

Expenditure on R. & D.

- i) Capital : Nil
- ii) Recurring : At present not significant
- iii) Total : As per (ii) above
- iv) As % of turnover : As per (ii) above

**FOREIGN EXCHANGE EARNING & OUTGOINGS**

The Foreign Exchange Earnings during the financial year 2009-10 was NIL. The outgo for the year under review was also NIL.

For and on behalf of the Board

Place: Nagpur

Dr. S. G. Parate

Date: 14<sup>th</sup> August 2010

CHAIRMAN



## MANAGEMENT DISCUSSION AND ANALYSIS

### Company Background

The Company is engaged in the processing of Soybean/ other oilseeds, marketing of edible oils in domestic market and de-oiled cakes in domestic and international markets. The Company has a Solvent Extraction Plant and a Refinery located at Village Kolari, Tahsil Chimur, Dist. Chandrapur (Maharashtra). A Rehab Scheme (MRS-2004) sanctioned by Hon'ble BIFR, is under implementation. To supplement Own operations, the Company has tied up for custom processing with M/s Cargill (I) Pvt. Ltd.

### Industry Structure and Developments

India being the largest importer of edible oils in the world, the domestic edible oil industry plays a pivotal role by way of value addition and saving of precious foreign exchange. On the other hand, with export of oilmeals/ extractions, it contributes to the foreign exchequer, in a big way. With huge consumer market to cater to, industry is marked by entry of big corporates/ multinationals.

### Opportunities and Threats

A fast growing economy opens opportunities for this agro-based industry. However, its outlook largely depends on adequate & timely monsoon and favourable government policy.

### Business Outlook

In view of ever increasing health awareness & use of Soybean products (Refined oil and other value added products), the Company is optimistic about better performance in near future.

### Risks and Concerns

Faced with the vagaries of monsoon, this agro-based industry has to tackle the uncertainties of raw material availability, low capacity utilization and volatile international prices of edible oils & de-oiled cakes.

The Company holds positions in commodities viz. Soyseed, Meal & Oils, by way of contractual obligation for physical trading / at Commodity Exchanges, price fluctuations therein may affect profitability.

### Internal Audit Adequacy

The Company's Internal Audit Section operates under the guidance of a Chartered Accountant appointed in consultative capacity, to ensure internal checks and balances in finance and accounting aspects.

### Financial Review

This aspect is dealt with in the beginning of this report. However, the Company continues to be a sick industrial unit registered with BIFR, with accumulated losses of Rs. 1533 Lacs, as at 31<sup>st</sup> March 2010.

### Human Resources Relations

Human resources relations remained cordial and the management received full co-operation from the employees during the year. The employee strength as on 31<sup>st</sup> March 2010 was 84.

### Forward looking statement-Cautious Statement

Forward-looking statements in the 'Management Discussion and Analysis' section are based on certain assumptions/expectations of future events and are stated as required by applicable laws and regulations. Actual results could differ materially from those expressed or implied. Major factors that could make the difference to the Company's operations could be agro-climatic conditions, government policy, domestic & international market conditions and such other factors, which are beyond control of the management.







Sr. No.	Names	Status	Designation
1	Surendra N. Mishra	Independent Non Executive Director	Chairman
2	Shri Ravindra Boratkar	Independent Non Executive Director	Member
3	Dr. S. G. Parate	Promoter- Non Executive Director	Member

#### 5. Remuneration to Directors

The Board of Directors has constituted a Remuneration Committee for the purpose of deciding appointment/ re-appointment of Managing

Directors/ Whole Time Directors etc and remuneration and compensation payable to them. During the year, no meeting of the Committee was held. The Members of the Committee are as follows:

Sr. No.	Names	Status	Designation
1	Shri Nitin Gadkari	Independent Non Executive Director	Chairman
2	Shri Ravindra V. Boratkar	Independent Non Executive Director	Member
3	Dr. S. G. Parate	Promoter- Non Executive Director	Member

#### Details of Remuneration/Sitting Fees paid to Directors during the Financial Year 2009-10 :

Remuneration package to Executive Directors as per the provisions of Schedule XIII of the

Companies Act, 1956 and approved by the shareholders, includes Salary, HRA, Contribution to PF and other allowances.

Names	Salary	Perquisites	Others	Sitting Fees	Total
Dr. Shrawan G. Parate	--	--	--	18,000	18,000
Shri Nitin J. Gadkari	--	--	--	6,000	6,000
Shri Surendra N. Mishra	--	--	--	18,000	18,000
Shri Ravindra V. Boratkar	--	--	--	12,000	12,000
Shri Uday S. Kamat	9,45,000	4,72,500	1,23,400	--	15,40,900
Shri Arvind W. Bakde	8,70,000	4,35,000	1,14,400	--	14,19,400
<b>Total</b>	<b>18,15,000</b>	<b>9,07,500</b>	<b>2,37,800</b>	<b>54,000</b>	<b>30,14,300</b>

#### 6. Shareholders' Grievance Committee

The Shareholders' Grievance Committee looks after matters relating to share transfer and complaints of the investors regarding non-receipt of shares after transfer, non-receipt of Annual Reports/ dividends or such related complaints and other queries. The

Committee held 4 meetings for the determination and resolving the investors' grievances and complaints. During the year, the Company received One complaint, which was duly resolved. The members of the Committee are as follows:

Sr. No.	Names	Status	Designation
1	Shri Ravindra V. Boratkar	Independent Non Executive Director	Chairman
2	Dr. S. G. Parate	Promoter- Non Executive Director	Member
3	Shri Arvind Bakde	Non-Independent Executive Director	Member

#### Share Transfer Committee

In addition to committees as required under the Listing Agreement, the Company has separate Share Transfer Committee, which looks in to the

matter relating to transfer of Shares in physical form. During the year, the committee transferred 26500 Shares. Members of the Committee are as follows:

Sr. No.	Names	Status	Designation
1	Dr. S. G. Parate	Promoter- Non Executive Director	Chairman
2	Shri Ravindra V. Boratkar	Independent Non Executive Director	Member
3	Shri Arvind Bakde	Non-Independent Executive Director	Member

#### 7. General Body Meetings

All Resolutions are generally passed by way of show of hands. No Resolution was put though

postal Ballot last year and none is proposed this year. Location and time where last three Annual General Meetings were held:

Year	Type of Meeting	Venue	Date	Time
2008-09	AGM	Saraswat Sabhagruha, Plot No.88/1, Bajaj Nagar, Nagpur – 440010	29 <sup>th</sup> September 2009	4.00 p.m.
2007-08	AGM	Saraswat Sabhagruha, Plot No.88/1, Bajaj Nagar, Nagpur – 440010	27 <sup>th</sup> September 2008	4.00 p.m.
2006-07	AGM	Saraswat Sabhagruha, Plot No. 88/1, Bajaj Nagar, Nagpur 440010	22 <sup>nd</sup> September 2007	3.00 p.m.



### 8. Certificate by CEO/CFO

The Board of Directors recognises Managing Director of the Company as CEO and Vice President as CFO for the limited purpose of compliance under the listing Agreement. In terms of revised Clause 49 of Listing agreement, the Board of Directors has obtained the necessary certificate from CEO & CFO, which states that, the financial statements present a true and fair view of the Company's affairs and are compliant with existing accounting standards, internal control and disclosure.

### 9. Disclosure regarding transactions with Promoters / Directors or Management

There is no materially significant transaction made by the Company with its Promoters, Directors or the Management or their relatives etc., which have potential conflict with the interest of the Company at large.

Under BIFR approved Rehab Scheme, the Company has entered into a strategic alliance with PURTI Group for financial assistance. Shri Nitin Gadkari and Shri Ravindra Boratkar are Directors on various companies of Purti Group.

As a Co-gen partner, the Company has an agreement with M/s Yash Agro Energy Limited (YASH), a bio-mass based power generating company, for supply of Steam & Power. Shri Uday Kamat, Director on the Board of YASH earlier was appointed as Managing Director w.e.f. 1<sup>st</sup> April 2010.

During the year 2009-10, there were no strictures or penalties imposed on the Company by the Stock Exchanges or any Statutory Authority for non-compliance of any matter related to the Capital Market.

### 10. Means of Communication

The quarterly Financial Results are generally published in the national Daily newspaper "Indian Express" in English and Local Marathi Daily "Loksatta", which are widely circulated. The Company does not furnish the information to each shareholder individually.

The Management Discussion and Analysis Report forms part of this Annual Report.

### 11. Shareholders' General Information

a. **Annual General Meeting:** Annual General Meeting of the Company will be held on Wednesday, the 29<sup>th</sup> September, 2010 at 4.00 p.m., at Saraswat Sabhagruha, Plot No. 88/1, Bajaj Nagar, Nagpur- 440010.

b. **Date of Book Closure:** Tuesday, the 28<sup>th</sup> September 2010 to Wednesday, the 29<sup>th</sup> September 2010 (both days inclusive) for the purpose of Annual General Meeting.

c. **Financial Calendar (Tentative):**

Results for quarter ended  
on 30<sup>th</sup> June, 2010 : 14<sup>th</sup> August 2010  
**Annual General Meeting: 29<sup>th</sup> September 2010**

Results for the quarter  
ending on September 2010 : Second Week of  
November 2010

Results for the quarter  
ending on December 2010 : Second Week of  
February 2011

Results for the quarter  
ending on March 2011 : Second Week of  
May 2011

d. **Listing on Stock Exchange:**

The Company's Shares have been listed on the Bombay Stock Exchange Limited, Mumbai.

e. **Dematerialisation of Securities:** The Company proposes to apply again to NSDL/CDSL for dematerialisation of Equity Shares.

e. **Stock Price Data:** The Company's Shares are infrequently traded in the Bombay Stock Exchange Limited. There has been no trading of Company's shares from 22<sup>nd</sup> September, 2008 onwards, wherein the Share Price had closed on Rs. 6.25/- per Share.

g. **Share Transfer:** Share Department makes transfer of Shares of the Company in-house at Registered Office of the Company at 232, "Harsh Villa", Hill Road, Shivaji Nagar, Nagpur 440 010. During the year under review, the Company's Shares were not traded on the stock exchange.

h. **Share Transfer System:** At present, all shares are in physical form. On receipt of the transfer request, at Share Department of the Company, the form is verified by the concerned officer for signature of the transferor etc. If the transfer deed, along with Share certificates in physical form, are found in order, it is submitted to Share Transfer Committee of the Directors for its consideration. Upon approval by the committee, necessary correction is made in Members' Register. For this purpose, near about 15 days period is taken for completion of the transfer and dispatch of Share Certificates to transferees. For this purpose the SEBI Guidelines, provisions of Listing Agreement and of Companies Act, 1956 and Articles of



Association of the Company are generally followed.

- i. **The distribution of Shareholding as on 31<sup>st</sup> March 2010 was as follows:**

Particulars		No. of Shares Held	% age of total Share Capital
<b>Promoters</b>			
Directors and their Relatives		12,98,200	16.07
Associate of Promoters		43,70,600	54.09
Individuals	8,50,000		
Bodies Corporate	35,20,000		
<b>Non-Promoters</b>			
Financial Institutions/Banks/Mutual Funds		3,07,200	3.80
Corporate Bodies		2,39,000	2.96
NRI/OCB/FII		87,800	1.08
Other Individuals		17,77,800	22.00
Total		<b>80,80,600</b>	<b>100.00</b>

- k. **Works (Plant Location):** The Solvent Extraction Plant and Vegetable Oil Refinery of the Company is located at Village Kolari, Tah. Chimur, Dist. Chandrapur, Maharashtra, 80 KMs. from Nagpur on the Nagpur Nagbhir Chandrapur State Highway.

- l. **Address for Correspondence/ Compliance Officer:**  
Shri Arvind Bakde  
Whole Time Director/ Compliance Officer

- j. **ADRs/ GDRs:** The Company has not issued any GDR/ADR/Warrants or any convertible instruments/securities.

#### UMRED AGRO COMPLEX LIMITED

232, "Harsh Villa", 1<sup>st</sup> Floor,  
Hill Road, Shivaji Nagar,  
Nagpur 440010 (Maharashtra)  
Ph. No. 0712- 2242564, 2249788,  
Fax : 0712- 2249456  
E-mail: ua\_ngp@umredagro.com

#### Certificate of Auditors on Corporate Governance Report

To  
The Members of UMRED AGRO COMPLEX LIMITED

We have examined the compliance of conditions of Corporate Governance by Umred Agro Complex Limited, for the year ended on 31<sup>st</sup> March 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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 the certificate of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

During the year, there was delay in adoption and publication in newspapers, of financial results for the quarters, subject to this, in our opinion and to the

best of our information and according to explanations 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 as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

Place: Nagpur  
Date: 14<sup>th</sup> August 2010

For Anil Mardikar & Co.  
Chartered Accountants  
(Anil Mardikar)  
Partner  
M. No. 32778



## AUDITOR'S REPORT

TO  
The Members Of Umred Agro Complex Limited

1. We have audited the attached Balance Sheet of Umred Agro Complex Ltd., as at 31st March 2010 and also the Profit and Loss Account and the Cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
  2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
  3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
  4. Further to our comments in the Annexure referred to above, we report that:
    - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
    - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
    - c) The balance sheet and profit and loss account dealt with by this report are in agreement with the books of account.
    - d) In our opinion, the Balance Sheet and Profit and Loss account dealt with by this report comply with the mandatory accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable except
      - i) Treatment of employees benefits as per Accounting Standard-15 (Revised 2005), as stated in serial no.10 of significant accounting policies - Schedule 19.
      - ii) Stock of Bye- Products, which is valued at Net Realizable Value.
      - iii) Interest on sales tax dues as per the order dated 29th April 2006 of Maharashtra Sales Tax Tribunal for the year 1991-92 and 1993-94 is not provided for Rs. 63.00 lacs and shown as contingent liabilities pending waiver application is moved with The Sales Tax Authorities on dated 30th March 2007.
- e) On the basis of written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) Subject to our observations in Para 4 (d) above, In our opinion to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view in conformity with the accounting principles generally accepted in India:
- i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as on March 31, 2010;
  - ii) In so far as relates to the Profit & Loss Account, of the profit of the Company for the year ended on that date; and
  - iii) In so far as it relates to the Cash Flow Statement, of the cash flow of the Company for the year ended on that date.

Place: Nagpur  
Date : 14<sup>th</sup> August 2010

For Anil Mardikar & Co.  
Chartered Accountants  
(Anil B. Mardikar)  
Partner  
M. No. 32778



## ANNEXURE TO AUDITOR'S REPORT

(Referred to in paragraph (3) of our report of even date)

1. In respect of its Fixed Assets:

a) The Company has maintained records showing particulars regarding quantitative details and situation of Fixed Assets. However the format for this purpose differs from the one suggested under CARO-2003.

b) According to the information and explanations given to the fixed assets have been physically verified by the management at reasonable interval of time. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of fixed assets. To the best of our knowledge, no material discrepancies were noticed on such verification.

c) During the year company has not disposed off substantial part of fixed assets. Accordingly the provisions of clause 4(i) (c) of the companies (Auditor's Report) order 2003 are not applicable to the company.

2. In respect of its inventories:

a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.

b) In our opinion and according to information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

c) In our opinion and according to information and explanations given to us, the company is maintaining proper records of inventory. According to the information and explanation furnished to us, list of physical inventory is taken at the year-end and no material discrepancy noticed on such verification.

3. a) The company has not granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the companies act, 1956.

4. In our opinion and according to information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During

the course of our audit, no major weaknesses have been noticed in the internal control.

5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:

a) In our opinion and according to information and explanation given to us, the transactions that need to be entered in to the register maintained under section 301 of the Companies Act 1956 have been so entered.

b) In our opinion and according to information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 and exceeding the value of Five Lac Rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

6. According to the information and explanations furnished to us, the company has not accepted any public deposits within the meaning of section 58 A and 58 AA of the Companies Act 1956.

7. According to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business. During the year under audit internal audit was carried out departmentally under the supervision of a Chartered Accountant.

8. The Central Government has prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 in respect of certain manufacturing activities of the Company. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion, that prima facie, the prescribed accounts and records are have been maintained. We have not, however, made a detailed examination of the same.

9. a) According to the information and explanations furnished to us, during the year, undisputed statutory dues including provident fund, employees state insurance, income tax, excise duty, and other material statutory dues applicable to it have generally been regularly deposited with appropriate authorities though there has been slight delay in few cases.

b) According to the information and explanations given to us, the following are the details of disputed dues as at the year end:



## Details of Disputed Sales Tax dues (In Rs. Lacs) :

Year	Amount	Nature	Remarks
1991-92	52.05	Interest	Pending recalculation of interest as per New Industrial Policy 2006 of Govt. of Maharashtra.
1992-93	115.10	Principal & Interest	Assessment in process
1993-94	10.95	Interest	Pending recalculation of interest as per New Industrial Policy 2006 of Govt. of Maharashtra
1994-95	81.49	Principal & Interest	Appeal Pending before first Appellate Authority
1996-97	31.37	Principal & Interest	Appeal Pending before first Appellate Authority
2001-02	224.15 213.00	Principal Interest	Appeal Pending before first Appellate Authority
2002-03	247.08 147.90	Principal Interest	Appeal Pending before first Appellate Authority
2003-04	72.83 70.03	Principal Interest	Appeal Pending before first Appellate Authority

10. The accumulated losses of the company are more than fifty percent of its paid up capital and free reserves. The company has not incurred cash losses during the financial year covered by our audit and the immediate preceding financial year.

The company is a sick industrial company within the meaning of Clause (O) of Sub section (1) of the Section 3 of the Sick industrial Companies (Special Provisions) Act 1985 (SICA). The company is implementing rehabilitation scheme sanctioned by BIFR on 24th November 2004.

11. In our opinion and according to the information and explanation given to us there are no dues payables to Financial Institutions/Banks as on 31st March 2010

12. According to the information and explanations furnished to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly the provision of clause 4 (xii) of the Companies (Auditor's Report) order 2003 are not applicable to the company.

13. According to the information and explanations given to us, the company is not a chit fund or a nidhi mutual benefit fund / society. Accordingly the provision of clause 4 (xiii) of the Companies (Auditor's Report) order 2003 are not applicable to the company.

14. According to the information and explanations given to us, the company is not dealing in shares, securities, debentures and other investments. Accordingly the provision of clause 4 (xiv) of the Companies (Auditor's Report) order 2003 are not applicable to the company

15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institution.

16. In our opinion and according to the information and explanations given to us by the management, the Company has not obtained & utilised any term loan during the year.

17. According to the information and explanations furnished to us, and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investments.

18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Act, during the year.

19. According to the information and explanations furnished to us, the company has not issued any debentures and hence the provision of clause 4 (xix) of the Companies (Auditor's Report) order 2003 are not applicable to the company.

20. The Company has not raised any monies by way of public issue during the year.

21. To the best of our knowledge and belief and according to the information and explanations given to us, no frauds on or by the company has been noticed or reported during the course of our audit.

Place: Nagpur  
Date: 14<sup>th</sup> August 2010

For Anil Mardikar & Co.  
Chartered Accountants  
(Anil B. Mardikar)  
Partner  
M. No. 32778



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2010

(All figures in Rs.Lacs)

	Schedule	AS AT 31-Mar-10	AS AT 31-Mar-09
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	813.06	813.02
Reserves & Surplus	2	441.09	441.09
<b>LOAN FUNDS</b>			
Secured Loans	3	642.15	646.93
Unsecured Loans	4	28.60	76.90
<b>DEFERRED LIABILITY UNDER REHAB SCHEME</b>			
		276.68	270.63
		<b>2,201.59</b>	<b>2,248.58</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	1,599.36	1,578.27
Less: Depreciation		1,032.96	956.65
<b>Net Block</b>		<b>566.41</b>	<b>621.62</b>
<b>INVESTMENTS</b>			
	6	2.35	2.19
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
A. Inventory	7	103.84	159.40
B. Sundry Debtors		250.44	208.76
C. Cash & Bank Balances		16.47	2.45
D. Loans & Advances & Other Current Assets		160.40	116.12
		<b>531.15</b>	<b>486.72</b>
Less:			
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>	8	431.49	406.77
<b>NET CURRENT ASSETS</b>		<b>99.66</b>	<b>79.95</b>
<b>PROFIT &amp; LOSS ACCOUNT</b>		<b>1,533.17</b>	<b>1,544.82</b>
		<b>2,201.59</b>	<b>2,248.58</b>

Schedule "1" to "8" & "17" form integral part of the Profit and Loss Account.

For Anil Mardikar & Co.

for and on behalf of Board

Anil Mardikar  
(Partner)  
M.No. 32778

Dr. S.G. Parate  
(Chairman)

Uday Kamat  
(Managing Director)

Place : Nagpur  
Date :14<sup>th</sup> August 2010

Arvind Bakde  
(Whole Time Director)



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2010**  
(All figures in Rs.Lacs)

	Schedule	YEAR ENDED 31-Mar-10	YEAR ENDED 31-Mar-09
<b>INCOME</b>			
Sales	9	1,827.01	1,495.84
Other Income	10	381.94	573.34
<b>TOTAL INCOME</b>		<b>2,208.95</b>	<b>2,069.18</b>
<b>EXPENDITURE</b>			
Materials	11	1,578.58	1,359.41
Manufacturing Expenses	12	302.67	355.56
Personnel Expenses	13	101.52	101.25
Office & Administrative Expenses	14	24.86	28.82
Selling & Distribution Expenses	15	2.84	1.81
<b>TOTAL EXPENSES</b>		<b>2,010.47</b>	<b>1,846.85</b>
<b>Profit / (Loss) before Interest &amp; Depreciation</b>		<b>198.48</b>	<b>222.33</b>
Less: Financial Expenses	16	110.53	131.44
Less: Depreciation for the period	5	76.31	80.35
Less: Other/ Miscellaneous Expenses		-	-
Profit / (Loss) before Tax		11.64	10.54
Less: Provision for Fringe Benefit Tax		-	0.67
Profit / (Loss) after Tax		11.64	9.87
Add: Balance from last year		(1,544.82)	(1,554.68)
<b>Balance Carried to Balance Sheet</b>		<b>(1,533.17)</b>	<b>(1,544.82)</b>
Basic and Diluted Earning per Share (Rs.)		0.14	0.12

Schedule "9" to "16" and "5" & "17" form integral part of the Profit and Loss Account.

For Anil Mardikar & Co.

for and on behalf of Board

**Anil Mardikar**  
(Partner)  
M.No. 32778

**Dr. S.G. Parate**  
(Chairman)

**Uday Kamat**  
(Managing Director)

Place : Nagpur  
Date : 14<sup>th</sup> August 2010

**Arvind Bakde**  
(Whole Time Director)





	AS AT 31-Mar-10	AS AT 31-Mar-09
<b>Schedule - 1 SHARE CAPITAL</b>		
a) AUTHORISED SHARE CAPITAL		
i) 98,50,000 Equity Share of 10/- each	985.00	985.00
ii) 15,000 Preference Shares of Rs. 100/-each	15.00	15.00
	<b>1,000.00</b>	<b>1,000.00</b>
b) ISSUED, SUBSCRIBED AND PAID - UP CAPITAL		
i) 80,80,600 Equity Share of 10/- each	808.06	808.06
ii) Less : Calls in Arrears	--	0.04
	<b>808.06</b>	<b>808.02</b>
iii) 5000 - 14% Cumulative Redeemable Preference Shares of Rs.100/- each	5.00	5.00
	<b>813.06</b>	<b>813.02</b>
<b>Schedule - 2 RESERVE &amp; SURPLUS</b>		
a) Central Investment Subsidy	12.75	12.75
b) Share Premium	321.93	321.93
c) Capital Reserve	106.42	106.42
	<b>441.09</b>	<b>441.09</b>
<b>Schedule - 3 SECURED LOANS AND ADVANCES</b>		
a) Advance from Cargill (I) Pvt. Ltd. (Secured by first charge on Fixed Assets)	642.15	646.93
<b>Total Secured Loans</b>	<b>642.15</b>	<b>646.93</b>
<b>Schedule - 4 UNSECURED LOANS</b>		
Inter Corporate Deposit	28.60	28.60
Unsecured Loan (Promoters)	-	48.30
	<b>28.60</b>	<b>76.90</b>
<b>Schedule-6 INVESTMENTS</b>		
a) Investment (NSC/ Kisan Vikas Patra/ FDR for Bank Guarantees (Unquoted, at cost)	2.35	2.19
	<b>2.35</b>	<b>2.19</b>

**SCHEDULE -5**  
**FIXED ASSETS AS ON**

31-Mar-10

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	TOTAL GROSS BLOCK AS ON 31-Mar-09	ADDITIONS/ (DELETIONS) ADJUSTMENTS DURING THE PERIOD	TOTAL GROSS BLOCK AS ON 31-Mar-10	TOTAL DEP. UP TO 31-Mar-09	DEP. /ADJ. FOR THE PERIOD	TOTAL DEP. UP TO 31-Mar-10	AS ON 31-Mar-10	AS ON 1 31-Mar-09
1) Freehold land	4.46	-	4.46	-	-	-	4.46	4.46
2) Site Development	12.57		12.57	5.16	0.42	5.58	6.99	7.41
3) Building	263.36		263.36	83.71	5.23	88.94	174.43	179.66
4) Plant & Machinery	1,241.18	18.38	1,259.56	822.37	66.49	888.86	370.70	418.81
5) Electrical Installation	27.34		27.34	18.99	1.44	20.44	6.91	8.35
6) Furniture & Fixture	22.94		22.94	21.35	1.45	22.80	0.14	1.60
7) Office Equipment	1.80		1.80	1.52	0.25	1.77	0.03	0.28
8) Computers & Printers	3.81	2.71	6.52	2.98	0.89	3.88	2.64	0.82
9) Lab. Equipment	0.80		0.80	0.57	0.13	0.71	0.10	0.23
<b>TOTAL RS.</b>	<b>1,578.27</b>	<b>21.09</b>	<b>1,599.36</b>	<b>956.65</b>	<b>76.31</b>	<b>1,032.96</b>	<b>566.41</b>	<b>621.62</b>
Previous Year	1,570.20	8.07	1,578.27	876.30	80.35	956.65	621.62	693.90





	AS AT 31-Mar-10	AS AT 31-Mar-09
<b>Schedule - 7</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>A) INVENTORIES</b>		
i) Stores & Spares (Consumable)	51.99	50.12
ii) Materials ( including Packing Materials)	15.68	14.26
iii) Chemicals, Hexane, Coal etc.	24.86	56.38
iv) Finished Goods (Including Bye Products)	11.31	38.63
	<b>103.84</b>	<b>159.40</b>
<b>B) SUNDRY DEBTORS</b>		
(Unsecured, considered good unless provided for)		
i) Over Six Months	12.41	61.36
ii) Domestic (oil/ DOC/ others)	238.03	179.08
	<b>250.44</b>	<b>240.43</b>
less : Provision for Doubtful Debts	-	31.68
	<b>250.44</b>	<b>208.76</b>
<b>C) CASH AND BANK BALANCES</b>		
i) Cash in hand	5.34	0.47
ii) Balances with Scheduled Banks in Current Account & Deposit Account	11.13	1.98
	<b>16.47</b>	<b>2.45</b>
<b>D) LOANS AND ADVANCES</b>		
i) Advances Recoverable in Cash Or in Kind for value to be received	4.73	3.21
ii) Claims / Charges Receivable/ Other Advances	135.05	87.72
iii) Deposits for Telephones/Telex/Power & Others	19.99	20.19
iv) Advances For Raw Materials /others	0.13	4.00
v) Prepaid Exp and other Current Assets	0.50	1.00
	<b>160.40</b>	<b>116.12</b>
<b>Schedule -8 CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>A) CREDITORS</b>		
i) Creditors for Capital Expenditure	9.07	9.32
ii) Creditors for Utilities and Chemicals		
a) Amounts Payable to SSI	-	-
b) Amounts payable to Others	95.02	100.05
iii) Raw materials	113.61	18.19
iv) Other Liabilities	63.61	102.08
B) Advances For Finished Goods	120.73	99.28
C) Advances For Cargill india Pvt. Ltd.	10.23	52.49
D) Short Term Credit Facility	19.23	25.36
	<b>431.49</b>	<b>406.77</b>



	YEAR ENDED 31-Mar-10	YEAR ENDED 31-Mar-09
<b>Schedule - 9 SALES</b>		
a) Oil	264.36	194.93
b) De-oiled Cakes (Domestic)	444.13	-
c) Bye-products/ Other items	61.15	85.05
d) Trading Sales	1,057.38	1,215.87
	<b>1,827.01</b>	<b>1,495.84</b>

**Schedule - 10 OTHER INCOME**

a) Processing Charges (VOR)	75.10	55.05
b) Processing charges -(SEP)	287.45	497.91
c) Processing charges -(Packing)	4.41	10.90
d) Misc. Income	14.99	9.48
	<b>381.94</b>	<b>573.34</b>

**Schedule - 11 MATERIALS**

a) Opening Stock	14.26	12.41
b) Add : Purchases including Packing Material	632.96	222.75
	<b>647.23</b>	<b>235.16</b>
c) Less : Closing Stock	(10.98)	(14.26)
d) Consumption during the year	636.25	220.89
e) Add : Trading Purchases (Finished Goods)	915.01	1,158.20
f) Add/Less: Adjustment for (Increase)/Decrease in Stock of Finished Goods	27.33	(19.68)
	<b>1,578.58</b>	<b>1,359.41</b>

**Schedule - 12 MANUFACTURING EXPENSES**

a) Power & Fuel (Coal)	178.48	187.53
b) Chemicals including Hexane	66.88	93.36
c) Insurance, Consumable Spares/ stores & other manufacturing Exp.	57.31	74.67
	<b>302.67</b>	<b>355.56</b>



	YEAR ENDED 31-Mar-10	YEAR ENDED 31-Mar-09
<b>Schedule -13 PERSONNEL EXPENSES</b>		
a) Directors' Remuneration	29.60	26.38
b) Salary & Allowances to Office Staff	30.40	31.80
c) Salary, Wages & Allowances	33.46	35.11
d) Contribution to PF & Other Benefits	8.06	7.96
	<b>101.52</b>	<b>101.25</b>
<b>Schedule -14 OFFICE &amp; ADMINISTRATIVE EXPENSES</b>		
a) Travelling & Conveyance	3.34	7.58
b) Communication & Other Administrative Expenses.	15.37	17.94
c) Legal, Professional & Consultancy Expenses	5.60	2.74
d) Auditors Remuneration		
Statutory Audit fees	0.39	0.39
Taxation and Certification	0.17	0.17
	<b>24.86</b>	<b>28.82</b>
<b>SCHEDULE -15 SELLING &amp; DISTRIBUTION EXPENSES</b>		
a) Forwarding Exp. Brokerage, etc (Oil)	0.81	0.54
b) Forwarding Exp. Brokerage, etc. (DOC)	1.87	0.82
c) Other Selling Expenses	0.15	0.45
	<b>2.84</b>	<b>1.81</b>
<b>SCHEDULE - 16 FINANCIAL EXPENSES</b>		
a) Interest		
i) Interest on Term Loan	103.20	123.79
ii) Other Interest	5.68	4.97
b) Bank Commision and other Charges	1.65	2.68
	<b>110.53</b>	<b>131.44</b>



## **SCHEDULE - 17 : ACCOUNTING POLICIES & NOTES ON THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

(The under mentioned Notes form part of the Unabridged version of the Balance Sheet and Profit & Loss Account)

### **A) SIGNIFICANT ACCOUNTING POLICIES ADOPTED IN PREPARATION AND PRESENTATION OF THE ACCOUNTS:**

#### **1. General**

The accompanying financial statements have been prepared under the Historical Cost Convention and in accordance with the normally accepted accounting principles.

#### **2. Capital Expenditure/ Fixed Assets**

Fixed Assets are stated at historical cost less depreciation. Costs comprise of the purchase price and any cost attributed cost of bringing the asset to working condition for its intended use.

#### **3. Investments**

Investments are stated at cost.

#### **4. Inventories**

Stocks of raw materials, stores, spares, packing materials, chemicals and coal etc. are valued at Cost. Finished goods and stock-in-process are valued at Net Realisable Value.

#### **5. Sales and Purchase**

Sales and Purchase are recognised at the time of dispatch/ arrival of goods.

#### **6. Other Income**

Income from investments, interest, export incentives, rent etc. are accounted on accrual basis.

#### **7. Prior Period Expenses/ Income**

The Company follows the practice of making adjustments through "Expenses/ Income under/over provided in previous years" in respect of extra ordinary transactions only pertaining to the period prior to current accounting period.

#### **8. Depreciation**

Depreciation has been provided as per Straight-line method & at the prescribed rates given under Schedule XIV of the Companies Act, 1956 as amended from time to time. Depreciation on Assets added during the period is provided on pro-rata basis.

#### **9. Revenue and Expenditure Recognition**

Revenue is recognised when no significant uncertainties as to the measurability or realisability of any claim exist.

#### **10. Retirement Benefits**

Contributions to Provident Funds, payment of Gratuity and Leave encashment, as and when arise, are charged to revenue.

#### **11. Deferred Revenue Expenditure**

Preliminary & Share Issue Expenses are amortized over a period of Ten years. The expenditure incurred on advertising/launching of branded consumer products is amortized over a period of Three years from the year of incurring expenditure.

#### **12. Foreign Currency Transaction**

Transactions in foreign currency are recorded at rates of exchange in force at the time transactions are effected. Exchange differences are accounted in the year of actual realisation.

### **B) NOTES TO ACCOUNTS**

1. Previous period figures have been re-arranged/ re-grouped and re-classified wherever necessary to confirm to the current year.

2. Figures have been rounded off to the nearest place of second decimal, where specified in Rs. Lacs. The figures specified in full value have been rounded off to the nearest rupee.

3. The Other Income includes Accrued Interest on Investments and Miscellaneous Receipts

4. CONTINGENT LIABILITIES NOT PROVIDED FOR:  
a. Pending disputes of quality/ quantity regarding sale/ purchase. Adjustments in respect of these matters are made in the Profit & Loss A/C as and when they are settled with the party.

b. Claims, counter claims arising out of disputes/ litigation regarding trade transactions, contracts, Joint Ventures, Memorandum of Understandings, sale/ purchase arrangements, processing agreements, not acknowledged as liabilities.

c. The Sales Tax / Value Added Tax (VAT) liability, if any, for the years 1997-98, 1998-99, 1999-2000, 2000-2001, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09 pending assessment.

Details of Disputed Sales Tax dues (In Rs. Lacs) :

Year	Amount	Nature	Remarks
1991-92	52.05	Interest	Pending recalculation of interest as per New Industrial Policy 2006 of Govt. of Maharashtra.
1992-93	115.10	Principal & Interest	Assessment in process
1993-94	10.95	Interest	Pending recalculation of interest as per New Industrial Policy 2006 of Govt. of Maharashtra
1994-95	81.49	Principal & Interest	Appeal Pending before first Appellate Authority
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2001-02	224.15 213.00	Principal Interest	Appeal Pending before first Appellate Authority
2002-03	247.08 147.90	Principal Interest	Appeal Pending before first Appellate Authority
2003-04	72.83 70.03	Principal Interest	Appeal Pending before first Appellate Authority

5. The Deferred Liability Under Rehab Scheme (Schedule - 5) includes
  - (i) Deferred Liabilities in respect of the Pressing Creditors (Old) for Raw materials, Stores & spares, Expenses etc.
6. Depreciation has been provided as per Straight Line Method and at the prescribed rates given under Schedule XIV of the Companies Act, 1956 as amended from time to time. Depreciation on assets added during the period is provided on pro-rata basis.
7. In the opinion of the Management, Current Assets, Loans and Advances and other debit balances are approximately of value, if realised, in normal course of business. Provisions for all loans and liabilities are adequate and not in excess of amounts reasonably necessary.
8. Statutory dues i.e., Contribution to PF, & ESIC outstanding as on March 31, 2010 amounted to Rs.1,15,569/- which has been paid subsequently.
9. Inventories and Cash have been taken, valued and certified by the Management of the Company.
10. Sundry Debtors and Creditors, Loans and Advances, Other Credit/ Debit balances, Balances in some Current Accounts with banks are subject to confirmations.
11. Dividend due on 14% Cumulative Redeemable Preference Shares Capital of Rs. 5.00 Lacs from the year 2008-09 amounting to Rs. 140,000/- not paid/provided for.
12. As operations of the company comprises only Solvent Extraction and Refinery, no separate Segmental Reporting is considered necessary.
13. On the basis of accounts compiled for the financial year there is no taxable income hence, no provision for taxation for the assessment year is being made.
14. The remuneration (Salary, Perquisites etc.) paid/ payable to the Managing Director and Whole-time Director in accordance with the

Schedule XIII of the Companies Act, 1956 and is as under:

Managing Director	Rs.	15.41	Lacs
Whole-time Director	Rs.	14.19	Lacs
Total	Rs.	29.60	Lacs

15. During the year, in view of inadequacy of profits, no commission on net profit is provided for.
16. The Identification of Suppliers as Small Scale Industrial Undertakings (SSI) is done on basis of the information from suppliers.
17. Deferred tax Assets have not been created in view of Accumulated Loss and Unabsorbed Depreciation. This is in conformity of AS-22 "Accounting for Taxes on Income" issued by ICAI.
18. Earnings in Foreign Exchange Export of Goods on F.O.B. basis during the year was Rs Nil (Previous Year Rs. Nil). Foreign Exchange outgo was. Nil (Previous year Nil)
19. Company has availed the services of Company Secretary in Advisory capacity.
20. Related parties Disclosure as required by Accounting Standard 18 of ICAI
  - a) **Key Management Personnel**  
Mr. Uday S. Kamat, Managing Director  
Mr. Arvind W. Bakde, Whole Time Director  
Mr. Prashant S. Joshi, Vice President
  - b) **Other Related Parties (Key Management Personnel having Significant influence)**  
M/S Nagpur Imports and Exports Pvt. Ltd.  
M/S Vibrant Market Themes Pvt. Ltd.  
M/S Yash Agro Energy Ltd.
  - c) **Transactions with related parties during the year**  
(Amount Rs. Lacs)

Transactions	Key Management Personnel	Other Related Parties	Total
Purchase of goods/Expenses	--	325.50	325.50
Sales of Goods	--	316.61	316.61
Remuneration	36.51	---	36.51



21. The consumption figures in value are balancing figures ascertained on the basis of opening stocks plus purchases less closing

stocks and therefore include adjustments for excess and shortages (storage/transit) ascertained on physical count etc.

### 22) Licensed/Installed Capacity

Capacity (per Annum in MT)	As at 31- Mar-10		As at 31- Mar-09	
	Solvent Extraction Plant	Refinery	Solvent Extraction Plant	Refinery
a) Licensed/Registered	1,50,000	29,000	1,50,000	29,000
b) Installed	1,50,000	24,000	1,50,000	24,000

### 23) Details of Material Processed

#### Solvent Extraction Plant (SEP) Soya Seeds

Particulars	2009-10		2008-09	
	Quantity in MT	Value in Rs. Lacs	Quantity in MT	Value in Rs. Lacs
Own Processing	2287	529	--	--
Custom Processing	23950	N.A.	37,918	N.A.
<b>Total SEP</b>	<b>26237</b>	<b>529</b>	<b>37,918</b>	<b>--</b>
Capacity Utilisation	17%		25%	

#### Vegetable Oil Refinery (VOR)

Particulars	2009-10		2008-09	
	Quantity in MT	Value in Rs. Lacs	Quantity in MT	Value in Rs. Lacs
Own Processing				
Soya Crude (Prod) Soya	390	N.A	370	194.43
Crude Purchase	247	107		
Custom Processing	2404		4,816	N.A.
<b>Total VOR</b>	<b>3041</b>	<b>-</b>	<b>5,187</b>	<b>--</b>
Capacity Utilisation	13%		22%	

### 25) Quantitative Details: Opening and Closing Stock (including stocks in transit), Sale, Purchase

Particulars	2009-10		2008-09	
	Quantity in MT	Value in Rs. Lacs	Quantity in MT	Value in Rs. Lacs
<b>Opening Stocks</b>				
1 Soya Seeds	-	-	-	-
2 Soya Oils (Refined + Crude)	-	-	-	-
3 Soya DOC	145	29	-	-
<b>Total</b>		29	-	-
<b>Purchases</b>				
1 Soya Seeds	2287	529		
2 Soya Oils (Refined & Crude)	906	406	1354	722
3 Soya DOC	3949	616	4058	631
<b>Total</b>		1550		1353
<b>Sale</b>				
1 Soya Oils (Refined & Crude)	1252	558	1332	728
2 Soya DOC	6080	1208	3917	683
3 Bye-Products		29		78
4 Other Items		32		7
<b>Total</b>		1827		1496
<b>Closing Stock</b>				
1 Soya Seeds			-	-
2 Soya Oils (refined & crude)	13	6	-	-
3 Soya DOC			145	29
<b>Total</b>		6	-	29

As per our report of even date attached  
For Anil Mardikar & Co.

for and on behalf of Board

Anil Mardikar  
(Partner)  
M. No. 32778

Dr. S.G. Parate  
(Chairman)

Uday Kamat  
(Managing Director)

Place : Nagpur  
Date : 14<sup>th</sup> August 2010

Arvind Bakde  
(Whole Time Director)





## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31-MARCH-10

	(Amount Rs. Lacs)	
	2009-10	2008-09
<b>(A) Cash Flow from Operating Activities</b>		
Net profit before Tax & Extraordinary Items	11.64	9.87
Adjustments for		
Provision for Doubtful Debts	-	-
Provision for Fringe Benefit Tax	-	0.67
Depreciation	76.31	80.35
Prior Period Extra Ordinary Items	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>87.95</b>	<b>90.89</b>
Adjustments for		
(Increase)/Decrease in Sundry Debtors/Receivables	(41.68)	(5.97)
(Increase)/Decrease in Inventories	55.56	(38.49)
(Increase)/Decrease in Loans & Advances	(44.28)	(17.54)
Increase/ (Decrease) in Current Liabilities	24.72	(86.74)
<b>Cash Flow Generated from Operations</b>	<b>(5.69)</b>	<b>(148.74)</b>
<b>(A) Net Cash from Operating Activities</b>	<b>82.26</b>	<b>(57.85)</b>
<b>(B) Cash Flow from Investing Activities</b>		
(Purchase/Additions) of Fixed Assets	(21.09)	(8.07)
(Purchase)/Sale of Investments	(0.16)	(2.06)
<b>(B) Net Cash from Investing Activities</b>	<b>(21.25)</b>	<b>(10.13)</b>
<b>(C) Cash Flow from Financing Activities</b>		
Proceeds from Issue of Share Capital	00.04	-
Proceeds/(Repayments) from Unsecured Loans under Rehab	(48.30)	25.00
Proceeds/(Repayments) from Long Term Borrowings	(4.78)	38.99
Proceeds/ (Repayments) from Deferred Funds	6.05	(5.08)
<b>(C) Net Cash from in Financing Activities</b>	<b>(46.99)</b>	<b>58.91</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>14.02</b>	<b>(9.07)</b>
Opening Balance Cash & Cash Equivalent	2.45	11.51
Closing Balance Cash & Cash Equivalent	16.47	2.45

(\*Previous Period figures have been re-arranged/re-grouped and re-classified wherever necessary.)

Place:- Nagpur  
Date : 14<sup>th</sup> August 2010

For and on behalf of the Board

(Uday Kamat)  
Managing Director

We have examined the aforesaid Cash Flow Statement of Umred Agro Complex Ltd. for the year ended 31st March, 2010. The statement has been prepared by the Company in accordance with the requirements of listing agreement with the Stock Exchange and is based on and in agreement with the corresponding Profit and Loss account and Balance Sheet of the Company covered by our report of even date to the Members of the Company.

For Anil Mardikar & Co.  
Chartered Accountants

Place :- Nagpur  
Date : 14<sup>th</sup> August 2010

(Anil Mardikar)  
Partner  
M. No. 32778



## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. Registration Details:

Regn No. 37493 of 1985
------------------------

State Code 11
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Balance sheet Date 31/03/2010
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### II. Capital raised during the year (Amount in Rs. Thousand)

Public Issue	Right Issue	Bonus Issue	Private Placement	Pending Allotment
--------------	-------------	-------------	-------------------	-------------------

Nil
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Nil
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Nil
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Nil
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Nil
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### III. Position of Mobilisation and deployment of Funds (Amount in Rs. Thousand)

Total Liabilities	Total Assets
-------------------	--------------

220159
--------

220159
--------

### Sources of Funds:

Paid up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans	Other Funds
-----------------	--------------------	---------------	-----------------	-------------

81306
-------

44109
-------

64215
-------

2860
------

27668
-------

Net Fixed Assets	Investments	Net Current Assets	Accumulated Losses
------------------	-------------	--------------------	--------------------

56641
-------

235
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9966
------

153317
--------

### IV. Performance of Company (Amount in Rs. Thousand)

Turnover	Total Expenditure	Profit/(loss) before Tax & Extra-ordinary items	Profit /(loss) after Tax & Extraordinary items
----------	-------------------	--	---

220895
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219721
--------

1164
------

1164
------

Earning per share in Rs.	Dividend rate %
--------------------------	-----------------

0.14
------

0%
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### V. Generic names of three principal products/services of Company (as per monetary terms)

Item Code No (ITC code) : 150710.00	Product description : Crude Oil from Soyabean Seed
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Item Code No (ITC code) : 150790.00	Product description : Refined Oil from Soyabean Seed
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Item Code No (ITC code) : 120810.00	Product description : Soya Meals (DeOiled Cake)
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As per our report of even date attached

For Anil Mardikar & Co.

For and on behalf of Board

**Anil Mardikar**  
(Partner)

M. No. 32778

**Dr. S.G. Parate**  
(Chairman)

**Uday Kamat**  
(Managing Director)

Place : Nagpur

Date : 14<sup>th</sup> August 2010

**Arvind Bakde**  
(Whole Time Director)



**ATTENDANCE SLIP  
UMRED AGRO COMPLEX LIMITED**

Registered office: 232, "Harsh Villa", Hill Road, Shivaji Nagar, Nagpur 440010

**23<sup>rd</sup> ANNUAL GENERAL MEETING ON 29<sup>th</sup> SEPTEMBER 2010 AT 4.00 P.M.**

Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall  
(Joint Shareholders may obtain additional attendance slip, if required)

Name of the Shareholder \_\_\_\_\_

Name of the Joint Holder \_\_\_\_\_

Registered Folio No. \_\_\_\_\_

Name of the proxy (if any) \_\_\_\_\_

I hereby record my presence at the 23<sup>rd</sup> Annual General Meeting of the Company at "Saraswat Sabhagruha",  
Plot No. 88/1, Bajaj Nagar, Nagpur 440010 on 29<sup>th</sup> September 2010.

Signature of the Shareholder or the Proxy attending the meeting

If Shareholder, please sign here

If Proxy, please sign here

**PROXY FORM**

**[To be submitted before 48 hours of the scheduled time of AGM]**

Name of the Company : UMRED AGRO COMPLEX LIMITED  
Registered office : 232, 'Harsh Villa', Hill Road, Shivaji Nagar, Nagpur - 440010

I/We \_\_\_\_\_ of  
\_\_\_\_\_ being a member(s) of the above-  
mentioned Company, hereby appoint the following as my/our Proxy to attend and vote (on a Poll) for my/our  
behalf at the 23<sup>rd</sup> Annual General Meeting of the Company, to be held on Wednesday, the 29<sup>th</sup> September  
2010, at 4.00 p. m. and at any adjournment thereof:

1. Mr./Ms \_\_\_\_\_ Signature \_\_\_\_\_

Or failing him

2. Mr./Ms \_\_\_\_\_ Signature \_\_\_\_\_

Number of Shares Held \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

Reference Folio No. \_\_\_\_\_

Affix 1 Re.  
Stamp

1. \_\_\_\_\_ Signature \_\_\_\_\_

2. \_\_\_\_\_ Signature \_\_\_\_\_

**BOOK-POST**  
(Printed Matter Inside)

*If undelivered, please return to :*

**UMRED AGRO COMPLEX LIMITED**

232, Harsh Villa, 1st Floor, Hill Road,

Shivaji Nagar, NAGPUR - 440 010

Tel.: 0712-2242564/2249788

Fax : 0712-2249456

E-mail : [umred\\_ngp@sancharnet.in](mailto:umred_ngp@sancharnet.in)