

# UFM INDUSTRIES LIMITED

MEHERPUR, SILCHAR – 788 015  
ASSAM



---

**22<sup>nd</sup> ANNUAL REPORT**

---

**2007-2008**

<b>BOARD OF DIRECTORS</b>	(1) Sri Mahabir Prasad Jain, (Managing Director) (2) Sri Suresh Kumar Beria (3) Sri Vishal jain (4) Sri Yogesh jain
<b>AUDITORS</b>	M/S. Raj Ratan & Co. Chartered Accountants Gauri Kishan Towers, A.T.Road, Rail Gate No.7 Guwahati ( Assam)
<b>BANKERS</b>	United Bank Of India
<b>REGISTERED OFFICE</b>	Meherpur, Silchar – 788015, Assam.
<b>FACTORIES</b>	(a) Meherpur, Silchar-788015 ( Assam) (b) Balajan,Gauripur – 783331( Assam)

<b>Contents</b>	<b>Page</b>
<b>Directors' Report</b>	<b>1</b>
<b>Corporate governance</b>	<b>3</b>
<b>Audit Report</b>	<b>10</b>
<b>Balance sheet</b>	<b>13</b>
<b>Profit &amp; Loss Account</b>	<b>14</b>
<b>Schedules</b>	<b>15</b>
<b>Cash Flow statement</b>	<b>26</b>
<b>Balance sheet extract</b>	<b>28</b>
<b>AGM notice</b>	<b>29</b>
<b>Attendance/Proxy Form</b>	<b>31</b>
<b>Nomination Form</b>	<b>32</b>

## DIRECTORS' REPORT

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

Your Directors have the pleasure in presenting before you the 22nd Annual Report and Audited Accounts of the Company for the year ended on 31st March 2008.

### 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>31-03-2008</b>	<b>31-03-2007</b>
Incomes	2425.59	1757.28
Expenses	2364.13	1670.17
Operating Profit	61.46	87.11
Interest	16.04	14.97
Depreciation	27.05	34.07
Profit before tax	18.37	38.07
Less: Taxation		
Current	(7.60)	(7.12)
FBT	(0.44)	(0.37)
Deferred	3.66	7.79
Profit after tax	13.99	38.37

### 2. OPERATIONS

The total Income for the year was Rs. 2425.59 lacs as compared to the income for the previous year of Rs. 1757.28 lacs. Since your Company has not made sufficient Profit during the year under review, your directors have not recommended any dividend.

### 3. AUDITORS

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

### 4. DIRECTORS

Shri Yogesh Jain is retiring by rotation at the Annual General Meeting and is eligible for re-appointment.

### 5. PERSONNEL

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

## 6. CONSERVATION OF ENERGY

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

## 7. TECHNOLOGY ABSORPTION

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

## 8. FOREIGN EXCHANGE EARNING AND OUT GO

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

## 9. DIRECTORS' RESPONSIBILITY STATEMENT

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

i) That the Annual Accounts for the year ended 31<sup>st</sup> March, 2008 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.

## 10. CORPORATE GOVERNANCE

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

## 11. ACKNOWLEDGEMENT

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

**FOR AND ON BEHALF OF THE BOARD**

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

Date : 1<sup>st</sup> September, 2008.

**(Mahabir Prasad Jain)**  
**MANAGING DIRECTOR**

**UFM INDUSTRIES LIMITED**  
**CORPORATE GOVERNANCE REPORT FOR THE YEAR 2007-08**

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

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

**2. BOARD OF DIRECTORS**

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

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

- (b) During the financial year ended March 31, 2008, the Board held 11 meetings on 10.04.07, 18.05.07, 12.06.07, 17.07.07, 20.08.07, 05.09.07, 29.10.07, 02.11.07, 20.12.07, 21.02.08 and 28.03.08.

**3. AUDIT COMMITTEE**

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

- (b) The composition of Committee and attendance of its Member as on 31<sup>st</sup> March 2008 is as follows :

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

#### 4. REMUNERATION COMMITTEE :

The company does not have formal remuneration committee. No sitting fees is paid to non-executive Directors for attending meetings of the Board of Directors or Committee thereof. Further the remuneration of the Managing Director is decided by the Board of Directors subject to approval of share holders in general meeting. Details of sitting fees, remuneration etc. paid to directors: Shri Mahabir Prasad Jain, Managing Director has been paid remuneration of Rs.6,00,000.00 and Shri Vishal Jain, Director has been paid remuneration of Rs.3,60,000.00 during the year 2007-08.

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

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

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

The Chairman of the Committee is Sri V.Jain, Director with Sri S.K.Beria, Director Sri Y.Jain as its members. Sri M.P.Jain, Managing Director, acts as compliance officer.

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

#### 6. GENERAL BODY MEETINGS :

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

Financial Year	Location of the Meeting	Date	Time	No. of Special resolution passed
2004 - 05	Meherpur, Silchar-788 015, Assam	30-Sep-05	2:00p.m.	NIL
2005 - 06	Meherpur, Silchar-788 015, Assam	30-Sep-06	2:00p.m.	NIL
2006 - 07	Meherpur, Silchar-788 015, Assam	29-Sep-07	2:00p.m.	NIL

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

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

#### 7. DISCLOSURES :

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

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

**8. MEANS OF COMMUNICATION :**

The Board of Directors takes the quarterly results of the company on record.

**9. GENERAL SHAREHOLDERS' INFORMATION :**

**i) Annual General Meeting**

Date and Time : 30<sup>th</sup> September, 2008 at 2:00 P.M.  
Venue : Meherpur, Silchar – 788015.

**ii) Financial Calendar**

Financial Year	- April to March
Financial reporting (Tentative)	
First Quarter results	- Fourth week of July,2008
Half Yearly results	- Fourth week of October,2008
Third Quarter results	- Fourth week of January,2009
Fourth Quarter results	- Fourth week of April,2009

**iii) Dates of book closure:** Thursday, 18<sup>th</sup> September,2008 to Thursday, 25<sup>th</sup> September, 2008 (Both days inclusive)

**iv) Dividend :**

The Board of Directors have not recommended any dividend for the year 2007-2008.

**v) Listing of Stock Exchanges :**

- i) Gauhati Stock Exchanges Ltd. Saraf Building Annexe, A.T.Road, Guwahati-781 001.
- ii) The Calcutta Stock Exchange Association Ltd. 7, Lyons Range, Kolkata- 700001.
- iii) Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai-400001

**vi) Stock Code : Physical**

- I. Gauhati Stock Exchange Ltd.
- II. The Calcutta Stock Exchange Association Ltd.
- III. Bombay Stock Exchange Ltd. – 831610.

**vii) Market Price Data / Stock Market Date :** There were no trading of Company's shares at Gauhati Stock Exchange, Calcutta Stock Exchange and Bombay Stock Exchange during the year.

**viii) Registrar and Share Transfer Agent :**

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

**ix) Share Transfer System :**

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

**x) Distribution of share holding as on 31<sup>st</sup> March, 2008.**

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

**xi) Categories of share holdings as on 31<sup>st</sup> March, 2008.**

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

**xii) Dematerialization of Shares and liquidity**

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

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

A : Meherpur-Unit I & Unit II, Silchar – 788015, Assam  
Ph : (03842) 234322 / 241538  
Fax : (03842) 241539

B : Balajan, Dhubri – 783331, Assam  
Ph : (03662) 240428 / 230460  
Fax : (03662) 230460

**xv) ADDRESS FOR CORRESPONDENCE :**

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



**AUDITORS' CERTIFICATE**

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

We have reviewed the compliance of conditions of Corporate Governance by UFM Industries Ltd. for the year ended on March 31<sup>st</sup> 2008, as stipulated in clause 49 of the listing agreement of the said company with various Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the 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 stipulated in clause 49 of the above mentioned Listing Agreements with the Stock Exchanges.

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

**For M/s Rajratan & Co,**  
**Chartered Accountants**

**Place:: Guwahati**  
**Dated:: 20.08.2008**

**( Manas Jain )**  
**Partner**  
**M.No. 065150**

**ANNEXURE `A`  
FORM "A"  
(See Rule 2)**

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

**A. POWER AND FUEL CONSUMPTION :**

1. Electricity	Current Year	Previous Year
(a) Purchases		
Unit K.W.H	23,88,137	19,53,223
Total Amount	1,03,32,133	80,46,545
*Rate/Unit	4.33	4.12
(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.)	25,994	21,216
Electricity (in K.W.H. per MT)	91.87	92.06
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   | :  |

**MANAS JAIN**  
B.Com (Hons), ACA

**RAJRATAN & CO.**  
**CHARTERED ACCOUNTANTS**  
G.K Towers, A.T. Road, Guwahati - 781009  
Phone: +91 361-2517426, 361-2541712  
Email: rajratanca@hotmail.com

**AUDITORS' REPORT TO THE MEMBERS OF**

**M/S. UFM INDUSTRIES LIMITED**

1. We have audited the attached Balance Sheet of **M/S. UFM INDUSTRIES LIMITED**, Meherpur, Silchar as at 31st March, 2008, the Profit & 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 conducted our audit in accordance with 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 mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principle used and significant estimates made by management as well as evaluating the overall financial statements presentation. We believe that our audit provided a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended, issued by the Central Government of India in terms of Section 227(4-A) of The Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
4. Further to our comments in Annexure referred to above, we report as follows:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief are necessary for the purposes 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, the Profit & Loss Account and Cash flow statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, The Balance Sheet, the Profit & Loss Account and Cash flow statement dealt with by this report are in compliance with the Accounting standard referred to in section 211(3C) of the Companies Act, 1956.
  - e) On the basis of the written representation received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2008 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
  - f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
    - i. In the case of Balance Sheet, of the state of Affairs of the Company as at 31st March 2008,
    - ii. In the case of Profit & Loss Account, of the Profit of the Company for the year ended on 31st March 2008,
    - iii. In the case of Cash Flow Statement, of the Cash Flow for the year ended on the date.

**For M/s Rajratan & Co,**  
**Chartered Accountants**

**Place:: Guwahati**  
**Dated:: 20.08.2008**

**( Manas Jain )**  
**Partner**  
**M No. 065150**

**ANNEXURE TO THE AUDITORS' REPORT**

( REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE )

1. a) The Company has maintained proper records showing full particulars including quantitative details and situations of Fixed Assets.  
b) As explained to us, all the Fixed Assets have been physically verified by the management during the year and no material discrepancies has been noticed on such verification as compared with the available book records.  
c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern status.
2. a) The stock of finished goods, raw materials, stores, spare parts and other goods have been physically verified by the management at reasonable periodic intervals during the year. In our opinion, the frequency of verification is reasonable.  
b) In our opinion and according to the information and explanations given to us the procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.  
c) In our opinion and according to the information and explanations given to us the company has maintained proper records of inventory. The discrepancies noticed on physical stocks and the book records were not material having regard to the size of the operation of the Company..
3. The Company has not granted/taken any Loans, Secured or Unsecured to/from Companies, Firms and other Parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate Internal Control Procedures commensurate with the size of the company and the nature of its business with regard to purchase of Inventory, Fixed Assets and Sale of Goods and services. Further on the basis of our examination of the books and records of the Company and according to information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
5. a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangement that need to be entered in the register maintained pursuant to section 301 of the Act, have been so entered.  
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangement and exceeding the value of Rupees Five Lacs in respect of any party during the year have been made at prices which are reasonable having regards to the prevalent market prices at the relevant time other than transaction of special nature for which competitive quotations are not available.
6. The Company has not accepted any deposits from the public during the year within the meaning of section 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules 1975.
7. The Company has an internal audit system commensurate with its size and nature of its business.
8. According to the information given to us, the provisions relating to maintenance of cost records under Section 209(1) (D) of the Companies Act, 1956 is not applicable to the company.

9. According to the records of the company, the company is regular in depositing undisputed statutory dues including of Income Tax, Wealth Tax, Sales Tax, Provident Fund, Custom Duty, Excise Duty, Service Tax and other statutory dues applicable to it with the appropriate authorities and no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty, Provident Fund and Service Tax outstanding as at 31.03.2008 for a period of more than six months from the date they become payable.
10. The company does not have accumulated losses as at 31<sup>st</sup> March 2008. The Company has not incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial Institution, bank or debenture holders.
12. As explained to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares/debentures or any other securities.
13. The Provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
14. In respect of shares, securities or debentures and other investments dealt or traded by the company, proper records are maintained in respect of transactions and contracts and timely entries have been made therein. All the investment are held by the company in its own name.
15. According to the information and explanations given to us, and representations made by the management, the Company has given any guarantee for loans taken by M/S Sethi Flour Mills to United Bank of India during the year.
16. On the basis of the records examined by us, the company has not availed any term loan during the year.
17. In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we have to state that no funds raised on short term basis have been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our report. Accordingly, the question of creation of securities in this regard does not arise.
20. During the period covered by our audit report, the company has not raised any money by public issue during the year.
21. According to the information and explanations given to us, and on the basis of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India, we have not come across any such instance of fraud on or by the company, either noticed or reported during the year, nor have we been informed of such case by the management.

**For M/s Rajratan & Co,  
Chartered Accountants**

**Place:: Guwahati  
Dated:: 20.08.2008.**

**( Manas Jain )  
Partner  
M No. 065150**

**UFM INDUSTRIES LIMITED**  
**MEHERPUR, SILCHAR, ASSAM.**

**BALANCE SHEET AS AT 31ST MARCH, 2008**

	SCHEDULE	AS AT 31.03.2008	AS AT 31.03.2007
<b><u>I. SOURCES OF FUNDS</u></b>			
SHARE HOLDERS' FUNDS			
SHARE CAPITAL	1	51,999,150.00	45,583,900.00
RESERVES & SURPLUS	2	46,714,192.00	39,714,185.00
LOAN FUNDS			
SECURED LOANS	3	18,956,728.00	15,596,185.00
DEFERRED TAX LIABILITY		4,442,539.00	4,808,503.00
<b>TOTAL</b>		<b>122,112,609.00</b>	<b>105,702,773.00</b>
<b><u>II. APPLICATION OF FUNDS</u></b>			
FIXED ASSETS	4		
GROSS BLOCK		81,940,645.00	80,834,289.00
LESS: DEPRECIATION		62,986,362.00	60,560,655.00
NET BLOCK		18,954,283.00	20,273,634.00
INVESTMENTS	5	12,691,879.00	20,914,927.00
CURRENT ASSETS, LOANS & ADVANCES			
INVENTORIES	6	49,842,953.00	21,794,279.00
SUNDRY DEBTORS	7	10,291,673.00	21,361,656.00
CASH & BANK BALANCES	8	9,517,645.00	6,912,377.00
LOANS & ADVANCES	9	22,823,881.00	16,116,148.00
		92,476,152.00	66,184,460.00
LESS: CURRENT LIABILITIES & PROVISIONS	10	2,009,705.00	1,670,248.00
NET CURRENT ASSETS		90,466,447.00	64,514,212.00
<b>TOTAL</b>		<b>122,112,609.00</b>	<b>105,702,773.00</b>

**SIGNIFICANT ACCOUNTING POLICES &  
NOTES ON ACCOUNTS**

18

The Schedule referred to above and the notes thereon form an integral part of the Accounts.

**In terms of our Report of even date**

**FOR AND ON BEHALF OF BOARD**

**For RAJRATAN & COMPANY**  
Chartered Accountants  
(F.R.No. 307101E)

**MAHABIR PRASAD JAIN**  
Managing Director

(Manas Jain)  
Partner  
M. No. 065150

**VISHAL JAIN**  
Director

PLACE : GUWAHATI  
DATE : 02-08-2010

**UFM INDUSTRIES LIMITED**  
**MEHERPUR, SILCHAR, ASSAM.**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008.**

	SCHEDULE	AS AT 31.03.2008	AS AT 31.03.2007
<b><u>INCOME</u></b>			
SALES	11	235,444,559.00	164,700,556.00
OTHER INCOME	12	5,727,753.00	8,318,942.00
INCREASE / (DECREASE) IN STOCK	13	1,386,277.00	2,708,953.00
<b>TOTAL</b>		<b><u>242,558,589.00</u></b>	<b><u>175,728,451.00</u></b>
<b><u>EXPENDITURE</u></b>			
RAW MATERIALS CONSUMED	14	213,873,523.00	146,444,965.00
PAYMENTS TO & PROVISION FOR EMPLOYEES MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES	15 16	2,919,005.00 19,619,926.00	2,571,354.00 18,000,708.00
INTEREST	17	1,603,466.00	1,497,283.00
DEPRECIATION	4	2,705,276.00	3,407,298.00
		<b><u>240,721,196.00</u></b>	<b><u>171,921,608.00</u></b>
<b>PROFIT BEFORE TAX</b>		<b>1,837,393.00</b>	<b>3,806,843.00</b>
PROVISION FOR TAXATION			
CURRENT TAX		760,724.00	712,433.00
DEFERRED TAX		(365,964.00)	(778,872.00)
FRINGE BENEFIT TAX		43,681.00	37,459.00
		<u>438,441.00</u>	<u>(28,980.00)</u>
<b>PROFIT AFTER TAX</b>		<b>1,398,952.00</b>	<b>3,835,823.00</b>
ADD/(LESS) : EXCESS / (SHORT) PROVISION FOR TAXATION IN RESPECT OF EARLIER YEARS		0.00	(73,227.00)
<b>NET PROFIT</b>		<b>1,398,952.00</b>	<b>3,762,596.00</b>
BALANCE BROUGHT FORWARD		19,988,673.00	16,226,077.00
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b><u>21,387,625.00</u></b>	<b><u>19,988,673.00</u></b>
Basic Earning per Equity Share (Nominal Value Rs 10/- each)		0.24	0.65
Diluted Earning per Equity Share (Nominal Value Rs 10/- each)		0.24	0.65

**SIGNIFICANT ACCOUNTING POLICES & NOTES ON ACCOUNTS** 18

The Schedule referred to above from an integral part of the Profit & Loss Account.

As per our report annexed

**FOR AND ON BEHALF OF BOARD**

**For RAJRATAN & COMPANY**  
**Chartered Accountants**  
**(F.R.No. 307101E)**

**MAHABIR PRASAD JAIN**  
**Managing Director**

(Manas Jain)  
Partner  
M. No. 065150

**VISHAL JAIN**  
Director

PLACE : GUWAHATI  
DATE : 02-08-2010



**UFM INDUSTRIES LIMITED**  
**MEHERPUR, SILCHAR, ASSAM.**

	<b>31.03.2008</b>	<b>31.03.2007</b>
	<b>Rs.</b>	<b>Rs.</b>
<b><u>SCHEDULE 1: SHARE CAPITAL</u></b>		
<b>AUTHORISED</b>		
70,00,000 EQUITY SHARES OF Rs. 10 EACH	<u>70,000,000.00</u>	<u>70,000,000.00</u>
<b>ISSUED</b>		
59,32,600 EQUITY SHARES OF Rs. 10 EACH	59,326,000.00	59,326,000.00
<b>SUBSCRIBED &amp; PAID UP</b>		
59,32,600 EQUITY SHARES OF Rs. 10 EACH	59,326,000.00	59,326,000.00
LESS: ALLOTMENT MONEY IN ARREARS	7,326,850.00	13,742,100.00
<b>TOTAL</b>	<u><b>51,999,150.00</b></u>	<u><b>45,583,900.00</b></u>
<b>OUT OF THE 59,32,600 EQUITY SHARES :</b>		
A) 60,022 FULLY PAID EQUITY SHARES WERE ISSUED ON 10/12/1986 PURSUANT TO THE TAKE OVER OF PARTNERSHIP FIRM M/s UNION FLOUR MILLS FOR CONSIDERATION OTHER THAN CASH.		
B) 5,84,000 EQUITY SHARES WERE ISSUED AS FULLY PAID BONUS SHARES BY UTILISATION OF RS 58,40,000 FROM THE CREDIT OF PROFIT AND LOSS ACCOUNT.		
C) 6,38,600 FULLY PAID EQUITY SHARES WERE ISSUED AGAINST CONVERSION OF UNSECURED LOANS OF RS 63,86,000/- INTO CAPITAL.		
<b><u>SCHEDULE 2: RESERVES &amp; SURPLUS</u></b>		
SHARE PREMIUM	17,314,305.00	11,381,000.00
GENERAL RESERVES	7,891,684.00	7,891,684.00
PROFIT & LOSS ACCOUNT	21,387,625.00	16,226,077.00
CAPITAL SUBSIDY RESERVES	120,578.00	120,578.00
	<u><b>46,714,192.00</b></u>	<u><b>35,619,339.00</b></u>
<b><u>SCHEDULE 3: SECURED LOANS</u></b>		
CASH CREDIT LOAN FROM UNITED BANK OF INDIA [SECURED BY WAY OF HYPOTHECATION OF STOCK IN TRADE, OTHER MOVABLE ASSETS AND FIRST CHARGE OVER FIXED ASSETS OF THE COMPANY AND PERSONAL GUARANTEE OF THE DIRECTORS]	18,841,396.00	15,259,421.00
CAR LOAN FROM ICICI BANK,KOLKATA	115,332.00	336,764.00
<b>TOTAL</b>	<u><b>18,956,728.00</b></u>	<u><b>15,596,185.00</b></u>

**UFM INDUSTRIES LIMITED**  
**MEHERPUR, SILCHAR, ASSAM**

**SCHEDULE – 4 : FIXED ASSETS**

Description	GROSS BOLCK				DEPRECIATION				NET BOLCK	
	Cost as at 1.4.2007	Addition during the year	Deduction during the year	Cost as on 31.3.2008	As on 1.4.2007	For the year	On Deductions	As on 31.3.2008	As at 31.3.2008	As at 31.3.2007
1. Land	520,169	-	-	520,169	-	-	-	-	520,169	520,169
2. Building	8,105,693	-	-	8,105,693	3,123,203	184,077	-	3,307,280	4,798,413	4,982,490
3. Plant & Machinery	67,616,838	691,700	-	68,308,538	55,011,618	2,225,280	-	57,236,898	11,071,640	12,605,220
4. Furniture & Fixture	756,218	4,325	-	760,543	323,006	34,751	-	357,757	402,786	433,212
5. Vehicles	3,308,569	453,371	294,283	3,467,657	1,649,281	218,019	279,569	1,587,731	1,879,926	1,659,288
6. Computer	526,802	251,243	-	778,045	453,547	43,149	-	496,696	281,349	73,255
<b>Total</b>	<b>80,834,289</b>	<b>1,400,639</b>	<b>294,283</b>	<b>81,940,645</b>	<b>60,560,655</b>	<b>2,705,276</b>	<b>279,569</b>	<b>62,986,362</b>	<b>18,954,283</b>	<b>20,273,634</b>
<b>Previous Year's Total</b>	<b>161,148,409</b>	<b>2,801,278</b>	<b>588,566</b>	<b>163,361,121</b>	<b>121,121,310</b>	<b>5,410,552</b>	<b>559,138</b>	<b>125,972,724</b>	<b>37,388,397</b>	<b>40,027,099</b>

**UFM INDUSTRIES LIMITED**

**MEHERPUR, SILCHAR, ASSAM.**

**SCHEDULE 5: INVESTMENTS (AT COST)**

NAME OF THE COMPANY	31.03.2008		31.03.2007	
	Qty.	Rs.	Qty.	Rs.
<b><u>QUOTED</u></b>				
HARAKCHAND INVESTMENTS LIMITED.	16,395	40,950.00	16,395	40,950.00
TATA CONSULTANCY SERVICES LTD.	26	22,100.00	26	22,100.00
BARAK VALLEY CEMENT LTD	577	24,234.00	-	-
BERGER PAINT	5,000	333,890.00	-	-
AGRO TECH FOOD LTD.	-	-	5,000	513,426.00
DCB BANK LTD	10,000	985,956.00	-	-
ESSAR OIL LTD	9,700	2,643,045.00	-	-
BOMBAY RAYON FASHION LTD.	128	38,622.00	-	-
FLEX FOOD LTD.	500	20,212.00	500	20,212.00
ESSAR SHIPPING LTD	2,000	345,824.00	-	-
GODAWARI POWER INDIA LTD.	1,000	357,600.00	-	-
GRABAL ALOK IMPEX LTD.	1,375	183,510.00	3,877	540,048.00
GAIL LTD.	3,000	1,269,079.00	-	-
HFCL LTD.	1,000	28,829.00	-	-
HCL INFO SYSTEM LTD	200	53,600.00	200	53,600.00
HINDUSTAN OIL EXPLORATION LTD.	-	-	500	91,209.00
HINDUSTAN ORGANIC LTD.	-	-	21,000	878,957.00
HITACHI HOME & LIFE SCIENCE LTD.	76	10,810.00	7,176	760,020.00
IDBI BANK LTD.	400	70,692.00	-	-
IDFC LTD.	5,000	869,642.00	-	-
KCP SUGAR INDUSTRIES LTD.	5,000	136,599.00	-	-
KRISHNA ENGINEERING	10,000	94,767.00	-	-
KAVERI SEEDS CO.LTD.	1,000	365,637.00	-	-
NOIDA TOLL BRIDGE LTD.	2,000	87,385.00	-	-
NUCLEUS SOFTWARE EXPORTS LTD.	1,696	506,163.00	14,042	9,427,425.00
RICO AUTO INDUSTRIES LTD.	-	-	1,000	102,959.00
OSWAL CHEMICAL	900	52,977.00	-	-
PANTALOON RETAILERS	30	18,686.00	-	-
PRAJ INDUSTRIES LTD.	2,300	275,989.00	-	-
RELIANCE PETROLEAM LTD	5,250	815,893.00	-	-
RICO AUTO INDUSTRIES LTD.	1,000	102,959.00	-	-
SPANCO TELESYSTEM LTD.	-	-	1,105	182,151.00
SHREE PRECOATED STEEL LTD.	1,000	441,944.00	-	-
TATA TELE SERVICES LTD.	-	-	3,000	88,040.00
TIMEX WATCHES LTD.	-	-	2,000	77,476.00
WIRES & FABRICS LTD.	-	-	1,575	158,317.00
WYETH LEDERLE LTD.	-	-	300	196,179.00
DEEPAK FERTILIZER LTD.	-	-	5,000	520,525.00
GE CAPITAL LTD.	-	-	20,830	2,542,468.00
HALDYN GLASS GUJRAT LTD	1,000	69,285.00	2,000	138,571.00
HANUNG LTD.	-	-	7,000	785,506.00
TATA ELXI LTD.	-	-	3,500	991,351.00
TATA STEEL EQUIPMENT LTD.	-	-	500	321,590.00
VIP INDUSTRIES LTD.	-	-	9,026	1,036,847.00
		<b><u>10,266,879.00</u></b>		<b><u>19,489,927.00</u></b>

**UNQUOTED**

42,500 FULLY PAID UP EQUITY SHARES OF RS.10/- EACH OF THE LAXMIJI SUGAR MILLS CO. LTD.	425,000.00	425,000.00
10,000 FULLY PAID UP EQUITY SHARES OF RS. 100/- EACH OF SHRI LALIT COLD STORAGE (P) LTD.	1000000.00	1000000.00
100,000 FULLY PAID UP EQUITY SHARES OF RS.10/- EACH OF GOLDSTONE CEMENTS LTD.	1000000.00	0.00
	<u><b>2,425,000.00</b></u>	<u><b>1,425,000.00</b></u>
<b>TOTAL (A)+(B)</b>	<u><b>12,691,879.00</b></u>	<u><b>20,914,927.00</b></u>
AGGREGATE VALUE OF QUOTED INVESTMENTS	10,266,879.00	19,489,927.00
AGGREGATE VALUE OF UNQUOTED INVESTMENTS	2,425,000.00	1,425,000.00
AGGREGATE MARKET VALUE OF QUOTED INVESTMENTS	<b>8,120,053.00</b>	<b>23,665,383.00</b>

**UFM INDUSTRIES LIMITED**  
**MEHERPUR, SILCHAR, ASSAM**

<b><u>SCHEDULE 6: INVENTORIES</u></b>	<b>31.03.2008</b>	<b>31.03.2007</b>
	<b>Rs.</b>	<b>Rs.</b>
RAW MATERIALS	39073127.00	13,646,436.00
FINISHED GOODS	6,087,014.00	4,700,737.00
STORES & SPARES PARTS	3,477,906.00	3,037,886.00
PACKING MATERIALS	1,204,906.00	409,220.00
	<b>49842953.00</b>	<b>21,794,279.00</b>
	<b>49842953.00</b>	<b>21,794,279.00</b>

**SCHEDULE 7: SUNDRY DEBTORS**

UNSECURED CONSIDERED GOOD		
DUE FOR A PERIOD EXCEEDING SIX MONTHS	2,839,656.00	1,111,145.00
OTHERS	7,452,017.00	20,250,511.00
	<b>10291673.00</b>	<b>21,361,656.00</b>
	<b>10291673.00</b>	<b>21,361,656.00</b>

**SCHEDULE 8: CASH & BANK BALANCES**

CASH IN HAND	4,909,589.00	3,801,930.00
BALANCES WITH SCHEDULED BANKS	4,608,056.00	3,110,447.00
	<b>9,517,645.00</b>	<b>6,912,377.00</b>
	<b>9,517,645.00</b>	<b>6,912,377.00</b>

**SCHEDULE 9: LOANS & ADVANCES**

ADVANCES TO EMPLOYEES	132,041.00	133,369.00
ADVANCES RECOVERABLE IN CASH OR KIND OR FOR VALUE TO BE RECEIVED	20007049.00	13,724,613.00
SECURITY DEPOSITS WITH VARIOUS DEPARTMENTS	1,869,590.00	1,519,000.00
INCOME TAX ADVANCES & TDS	815,201.00	739,166.00
	<b>22823881.00</b>	<b>16,116,148.00</b>
	<b>22823881.00</b>	<b>16,116,148.00</b>

**SCHEDULE 10: CURRENT LIABILITIES & PROVISIONS**

**CURRENT LIABILITIES**

1. FOR GOODS, EXPENSES ETC		
2. OTHERS	1,247,722.00	956,579.00
	1,259.00	1,236.00

**PROVISIONS**

FOR INCOME TAX	760,724.00	712,433.00
	<b>2,009,705.00</b>	<b>1,670,248.00</b>
	<b>2,009,705.00</b>	<b>1,670,248.00</b>

**UFM INDUSTRIES LIMITED**  
**MEHERPUR, SILCHAR, ASSAM**

	<b>31.03.2008</b>	<b>31.03.2007</b>
	<b>Rs.</b>	<b>Rs.</b>
<b><u>SCHEDULE 11: SALES</u></b>		
WHEAT & WHEAT PRODUCTS	235,444,559.00	164,700,556.00
	<u>235,444,559.00</u>	<u>164,700,556.00</u>
<b><u>SCHEDULE 12: OTHER INCOME</u></b>		
INCOME FROM WEIGHING SCALE	241,030.00	162,450.00
INTEREST	1,306,907.00	873,796.00
GODOWN RENT	204,000.00	228,600.00
MILLING CHARGES	1,817,658.00	1,119,372.00
RAILWAY CLAIMS	0.00	181,018.00
INSURANCE CLAIM	161,457.00	10,475.00
DIVIDEND	134,572.00	246,068.00
PROFIT ON SALE OF ASSETS	41,286.00	0.00
INCOME ON SHORT TERM CAPITAL GAIN FROM SHARES	582,470.00	5,407,101.00
LONG TERM CAPITAL LOSS ON SHARES	(109,749.00)	
INCOME FROM SECULATION INCOME	1,348,122.00	90,062.00
	<u>5,727,753.00</u>	<u>8,318,942.00</u>
<b><u>SCHEDULE 13: INCREASE/(DECREASE) IN STOCK</u></b>		
CLOSING STOCK OF WHEAT PRODUCTS	6,087,014.00	4,700,737.00
OPENING STOCK OF WHEAT PRODUCTS	4,700,737.00	1,991,784.00
	<u>1,386,277.00</u>	<u>2,708,953.00</u>
<b><u>SCHEDULE 14: RAW MATERIAL CONSUMED</u></b>		
OPENING STOCK	13,646,435.00	17,370,031.00
ADD: PURCHASES	<u>239,300,215.00</u>	<u>142,721,370.00</u>
	252,946,650.00	160,091,401.00
LESS: CLOSING STOCK	39,073,127.00	13,646,436.00
	<u>213,873,523.00</u>	<u>146,444,965.00</u>
<b><u>SCHEDULE 15: PAYMENTS TO AND PROVISIONS FOR EMPLOYEES</u></b>		
SALARIES, WAGES & BONUS	2,561,524.00	2,289,634.00
CONTRIBUTION TO PF & OTHER FUNDS	357,481.00	281,720.00
	<u>2,919,005.00</u>	<u>2,571,354.00</u>

**UFM INDUSTRIES LIMITED**  
**MEHERPUR, SILCHAR, ASSAM**

**SCHEDULE 16: MANUFACTURING, SELLING & ADMINISTRATIVE EXPENSES**

	<b>31.03.2008</b>	<b>31.03.2007</b>
	<b>Rs.</b>	<b>Rs.</b>
STORES & SPARE PARTS CONSUMED	1,349,735.00	1,381,246.00
POWER & FUEL	10,354,172.00	8,004,238.00
PACKING MATERIALS CONSUMED	1,141,571.00	1,279,407.00
RENT	24,000.00	39,600.00
RATES & TAXES	2,669,486.00	1,648,047.00
INSURANCE	623,228.00	790,896.00
REPAIRS & MAINTENANCE TO BUILDING	469,827.00	539,511.00
REPAIRS & MAINTENANCE TO MACHINES	125,907.00	200,695.00
TRAVELLING EXPENSES	12,980.00	16,683.00
POSTAGE, TELEGRAM AND TELEPHONE	196,352.00	185,133.00
MEDICINE EXPENSES	31,346.00	27,561.00
VEHICLE MAINTENANCE	205,365.00	185,995.00
TRUCK RUNNING EXPENSES	220,741.00	289,331.00
AUDITOR'S REMUNERATION	15,240.00	15,240.00
DIRECTOR'S REMUNERATION	960,000.00	260,000.00
ADVERTISEMENT EXPENSES, SALES PROMOTION	45,250.00	72,007.00
BANK CHARGES & COMMISSION	172,740.00	303,871.00
MISCELLANEOUS EXPENSES	596,844.00	566,658.00
LEASE RENT	72,000.00	72,000.00
SHARE LISTING AND REGISTRAR FEES	38,439.00	33,554.00
LEGAL EXPENSES	25,975.00	23,292.00
LOSS ON SALE OF ASSETS	0.00	24,837.00
LONG TERM CAPITAL LOSS ON SHARES	0.00	137,298.00
FUTURE & OPTIONS TRADING	0.00	1,645,652.00
SECURITY TRANSACTION TAX	268,728.00	192,456.00
EXPENSES RELATING TO EARLIER YEAR	0.00	65,500.00
	<b>19,619,926.00</b>	<b>18,000,708.00</b>

**SCHEDULE 17: INTEREST**

BANK	1,603,466.00	1,497,283.00
	<b>1,603,466.00</b>	<b>1,497,283.00</b>

**UFM INDUSTRIES LIMITED**  
**MEHERPUR, SILCHAR, ASSAM.**

**SCHEDULE - 18 : NOTES ON ACCOUNTS**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**ACCOUNTING METHODOLOGY**

The accounts have been prepared on historical cost convention and on accrual basis of accounting. All expenses and income to the extent considered payable and receivable respectively, unless stated otherwise, are accounted for on accrual basis.

**FIXED ASSETS**

Fixed Assets are stated at original cost less depreciation thereon. The cost of fixed assets includes acquisition, attributable expenses, and pre-operational expenses including finance charges, wherever applicable.

**DEPRECIATION**

Depreciation is calculated as per straight line method on single shift basis at rates Specified in Schedule XIV of the Companies Act, 1956 and on full year basis.

**INVESTMENTS**

Investments are stated at cost of acquisition and other related expenses.

**SALES INCOME**

Turnover has been stated by deducting handling and transporting charges of finished goods.

**RAW MATERIALS CONSUMED**

It has been stated by including all charges upto works.

**INVENTORIES**

Inventories are valued at lower of cost or net realisable value. Cost for manufactured goods/process stock comprises of materials, labour and other appropriate overheads. Cost for stores and packing materials is determined on weighted average basis..

**RESEARCH AND DEVELOPMENT**

Revenue Expenditure is charged to the Profit & Loss Account in the year in which it is incurred. Capital expenditure on Research and development is considered as addition to fixed assets in the year of incurrence.

**FOREIGN CURRENCY TRANSACTIONS**

Purchase / Expenses in foreign currency are accounted at equivalent rupee value incurred.

**GRATUITY**

Gratuity is accounted for on the basis of payments to LIC as actuarially determined.

2. **Contingent Liabilities** - Guarantee to bank in respect of third parties for Rs. NIL (Previous Year Rs. NIL).
3. The Company has no employee drawing remuneration in excess of Rs.24,00,000 per annum or Rs.2,00,000 per month during the year. (previous year Rs. NIL)
4. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. NIL (previous year Rs. NIL)
5. Provision for taxation is made on basis of estimated taxable income, as computed under Income-tax Act, 1961.
6. Auditors Remuneration break-up is as follows :-

As statutory & Tax Auditor	Rs. 3240
As Consultancy Fees	Rs. 12000



**UFM INDUSTRIES LIMITED**  
**MEHERPUR, SILCHAR,**  
**ASSAM**

7. Additional information pursuant to paragraph 3, 4C and 4D of part II of schedule VI of the Companies Act, 1956.

	<b>31.03.2008</b>	<b>31.03.2007</b>
	<b>M.T.</b>	<b>M.T.</b>
a) Licenced capacity	N.A.	N.A.
b) Installed Capacity	114000	114000
*c) Production		
Maida	6130	4133
Atta	11840	11116
Suji	342	181
Bran	3101	2270
Refraction	306	231

(The above figures does not include 4275 M.T. grinded on account of other parties on job basis. Previous year 3286 M.T.)

**31-03-2008**

**31-03-2007**

**d) Turnover and Stock**

<b><u>SALES</u></b>	<b>M.T.</b>	<b>Rs.</b>	<b>M.T.</b>	<b>Rs.</b>
Maida	6159	89179011	4032	55426678
Atta	11826	101304324	11066	88228751
Suji	324	4818363	178	2493518
Bran	2968	26614147	2240	18081421
Refraction	144	620558	121	470188
Wheat	9727	12908156	0	0
<b><u>Opening Stock</u></b>				
Wheat	1640	13646436	2455	1737032
Maida	216	2949956	115	1282262
Atta	68	888327	18	186670
Suji	6	88643	3	29685
Bran	102	770095	72	466847
Refraction	5	3716	33	26320
<b><u>Closing Stock</u></b>				
Wheat	3299	39073127	1640	13646436
Maida	186	2803564	216	2949956
Atta	83	963887	68	888327
Suji	24	379510	6	88643
Bran	235	1932265	102	770095
Refraction	10	7788	5	3716

**e) Raw Materials Consumed**

Wheat 100% Indigenous	21719	213873523	17931	146444965
-----------------------	-------	-----------	-------	-----------

**f) Stores, Spare Parts & Packing Materials Consumed**

	<b>Rs.</b>	<b>Percentage</b>	<b>Rs.</b>	<b>Percentage</b>
Imported	NIL	0.00	NIL	0.00
Indigenous	2488806	100.00	2660653	100.00

**UFM INDUSTRIES LIMITED**  
**MEHERPUR, SILCHAR, ASSAM.**

	As at <b>31.3.2008</b>	As at <b>31.3.2007</b>
	<b>Rs.</b>	<b>Rs.</b>
8. CIF Value of Imports made	NIL	NIL
9. Expenditure in Foreign Currency	NIL	NIL
10. Earning in Foreign Currency	NIL	NIL

11. Figures have been rounded off to the nearest rupee.

12. The previous year's figures are regrouped or reclassified wherever found necessary.

<b>13. <u>DEFERRED TAX</u> :</b>	<b>31.03.08</b>	<b>31.03.07</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Deferred Tax liability on account of Timing difference:		
Depreciation	4442539	4808503
	-----	-----
	4442539	4808503
	-----	-----

14. Outstanding dues owed by the Company to Small Scale Undertakings for more than 30days is NIL, (previous year – NIL).

15. As per Accounting Standard-28 Impairment of Assets, Impairment Loss have been identified and assets have been impaired wherever necessary .

16. Related parties disclosure (As identified by the management)  
Transaction with related parties

<b>NAME OF THE PERSONS</b>	<b>AMOUNT PAID</b>	<b>PURPOSE</b>
Sri Mahabir Prasad Jain	6,00,000/-	Salary
Sri Vishal Jain	3,60,000/-	“
Sri Vishal Jain	51,511/-	Carrying charges of wheat and wheat products
Sri Yogesh Jain	29,041/-	"
Sri Mahabir Prasad Jain	13,800/-	"
Sri Avishek Jain	50,393/-	"
Dharmendra Industrial Stores Silchar	1,79,352/-	For purchase of Stores & Spare parts Electric Goods, Building Materials, Motor Parts etc.

<b>NAME OF THE PERSONS</b>	<b>AMOUNT PAID</b>	<b>PURPOSE</b>
Jain Sales Silchar	1,805/-	"
Avishek Printers Silchar	1,230/-	For Stationery & printing charges
Avishek Printers & Publishers Silchar	71,580/-	For Stationery & printing charges

17. Schedule 1 to 18 form integral part of the Statement.

**IN TERMS OF OUR ATTACHED AUDIT REPORT OF EVEN DATE**

**For RAJRATAN & COMPANY**  
**Chartered Accountants**

**FOR AND ON BEHALF OF THE BOARD**

(MANAS JAIN )  
**Partner**

**M.No.065150**

**MAHABIR PRASAD JAIN**  
**Managing Director**

**VISHAL JAIN**  
**Director**

PLACE : GUWAHATI  
Dated : 20.08.2008

**UFM INDUSTRIES LIMITED**  
**MEHERPUR, SILCHAR, ASSAM.**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2008**

<b>A. Cash Flow from Operating activities :</b>	<b><u>2007-2008</u></b>	<b><u>2006-2007</u></b>
<b>NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS</b>	1837393.00	3806843.00
Adjustment for :		
1.Depreciation	2705276.00	3407298.00
2.Interest	1603466.00	1497283.00
3.Lease Rent of Diesel Generator Set & Car	72,000.00	72,000.00
4.Interest Received on Investments	(1306907.00)	(873,796.00)
5.Profit on sale of fixed assets	(41,286.00)	24,837.00
6.Assets Written off	-	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>4869942.00</b>	<b>7934465.00</b>
<b>Adjustment for :</b>		
1.Trade and other receivables	4788875.00	2412101.00
2.Inventories	(28048674.00)	438,578.00
3.Trade payable	291,166.00	(1533871.00)
4. Security Deposit	(350590.00)	(902,720.00)
<b>CASH GENERATED FROM OPERATION</b>	<b>(18449281.00)</b>	<b>8348553.00</b>
Direct taxes paid	(815201.00)	(739,166.00)
Fringe Benefit Tax	(43,681.00)	(37,459.00)
<b>CASH FLOW BEFORE EXTRA ORDINARY ITEMS</b>	<b>(19308163.00)</b>	<b>7571928.00</b>
1.Extraordinary item	26,733.00	(450,012.00)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(19281430.00)</b>	<b>7121916.00</b>
<b>B. Cash flow from investing activities :</b>		
1.Purchase of/Advance towards Fixed Assets	(1400639.00)	(969374.00)
2.Investments in shares	8223048.00	(2184710.00)
3.Interest received on Investment	1306907.00	873796.00
4.Sale of Fixed Assets	56,000.00	140,000.00
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>8185316.00</b>	<b>(2140288.00)</b>

**C.Cash flow from Financing Activities :**

1.Re-payment of Finance Lease Liabilities	(72,000.00)	(72,000.00)
2.Proceeds from Short Term Borrowings(CashCredit)	3360543.00	(995,477.00)
3.Interest paid on cash credit & unsecured loan	(1603466.00)	(1497283.00)
4.Proceeds from Increase in Share Capital	6415250.00	864900.00
5.Proceeds from Increase in Share Premium	5601055.00	332,250.00
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>13701382.00</b>	<b>(1367610.00)</b>
Net increase in cash & cash equivalent(A+B+C)	2605268.00	3614018.00
Cash & Cash equivalent as at (opening Balance)	6912377.00	3298359.00
Cash & Cash equivalent as at (Closing Balance)	9517645.00	6912377.00

**NOTE: Figures in brackets indicates outflows**

**IN TERMS OF OUR ATTACHED AUDIT REPORT OF EVEN DATE**

**For RAJRATAN & COMPANY**  
**Chartered Accountants**

**(MANAS JAIN )**  
**Partner**

**M.No.065150**

**FOR AND ON BEHALF OF THE BOARD**

**MAHABIR PRASAD JAIN**  
**Managing Director**

**VISHAL JAIN**

**Director**

PLACE : GUWAHATI

Dated : 20.08.2008.

<b>BALANCE SHEET EXTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:</b>
--

Registration No.	2539 of 1986-87
State Code	02
Balance Sheet Date	31st March 2008

**CAPITAL RAISED DURING THE PERIOD :** **Rs.**

Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

**POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS :**

Total Liabilities	122330043
Total Assets	122330043

**SOURCES OF FUND :**

Paid up Capital	51999150
Reserves & Surplus	46931626
Secured Loans	18956728
Deferred Tax Liability	4442539

**APPLICATION OF FUND :**

Fixed Assets	18954283
Investments	11691879
Net Current Assets	91883881
Miscellaneous Expenditure	-

**PERFORMANCE OF THE COMPANY :**

Turnover	242668339
Total Expenditures	240830946
Profit before Tax	1837393
Earning Per Share	0.27
Dividend	Nil

**GENERIC NAMES OF TWO PRODUCTS OF THE COMPANY**

Item Code No. (ITC Code)	110100.00
Product Description	ATTA
Item Code No. (ITC Code)	110311.01
Product Description	SUJI

## NOTICE

NOTICE is hereby given that the 22<sup>nd</sup> Annual General Meeting of the Members of UFM Industries Limited shall be held on Tuesday, the 30<sup>th</sup> day of September, 2008 at the Registered office of the Company at Meherpur, Silchar – 788 015 (Assam) at 2 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, 2008 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 Director in place of Shri Yogesh Jain who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Director in place of Shri S.K.Beria who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint auditors and fix their remuneration.

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

**REGISTERED OFFICE :**

Meherpur, Silchar- 788015.  
Assam.

Date : The 1<sup>st</sup> Day of September, 2008.

(Mahabir Prasad Jain)  
Managing Director

**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.
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 except Tuesday 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 18<sup>th</sup> September 2008 to 25<sup>th</sup> September 2008 (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.

**BY ORDER OF THE BOARD**

**For UFM Industries Ltd.**

**REGISTERED OFFICE :**

Meherpur, Silchar-788015.

Assam.

Date : The 1<sup>st</sup> Day of September, 2008.

**( Mahabir Prasad Jain )  
Managing Director**



**UFM INDUSTRIES LIMITED**  
MEHERPUR SILCHAR-788015

**ATTENDENCE SLIP**  
22<sup>nd</sup> Annual general Meeting  
30<sup>th</sup> September,2008

(To be handed over at the entrance of the Meeting Hall)

Full Name of the Member attending \_\_\_\_\_

Name of the Proxy \_\_\_\_\_

(To be filled in if Proxy Form has duly been deposited with the Company)

I Certify that I am a Registered Shareholder/Proxy for the Registered Shareholder of the Company. I hereby record my presence at the 22<sup>nd</sup> Annual General Meeting of the Company held at Meherpur, Silchar-788015, Assam on Saturday, 30<sup>th</sup> September,2008 at 2.00p.m.

Ledger Folio No. \_\_\_\_\_

No. Shares held \_\_\_\_\_

\_\_\_\_\_  
Member's/Proxy's Signature

(To be signed at the time of handling over this slip)

Note: Share holder/Proxy holder wishing to attend the meeting must bring the Admission slip to the meeting and handover at the entrance duly signed.

.....Tear here.....

**UFM INDUSTRIES LIMITED**  
Meherpur, Silchar-788015,Assam  
PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member/members of UFM INDUSTRIES LIMITED hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in district of \_\_\_\_\_ of falling him \_\_\_\_\_ as my /our proxy to attend and vote on my/our behalf at the 22<sup>nd</sup> Annual General Meeting of the Company to be held on 30<sup>th</sup> September,2008 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2008

Ledger Folio No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Re.1.00 Revenue Stamp
-----------------------------

**Note:** Proxy form must be deposited at the registered office of the Company not later than 48 hours before the Commencement of the Meeting. The Proxy form should be signed according to the signature recorded with the Company.

**NOMINATION**

**FORM 2B**  
(See Rules 4CCC & 5D)  
**NOMINATION FORM**

**To**  
**UFM Industries Ltd.**  
**Meherpur,**  
**Silchar – 788 015,**  
**Cachar, Assam**

**Form,**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Folio No. \_\_\_\_\_  
Distt. No. \_\_\_\_\_  
Certificate No. \_\_\_\_\_  
No. of Shares \_\_\_\_\_

I am/we are holders(s) of Shares of the Company as mentioned above wish to make a nomination and do hereby nominate the following person in whom all rights of transfer and /or amount in respect of shares vest in the event of my/our death.

Name and Address of Nominee : \_\_\_\_\_  
Signature of Nominee : \_\_\_\_\_  
Guardian's Name and Address : \_\_\_\_\_  
Date of Birth : \_\_\_\_\_  
(To be filled in case nominee is minor)

	Name of the holders(s) (as appearing on the Certificate(s))	Signature as per specimen recorded with the company alongwith date
Sole/ 1 <sup>st</sup> Holder		
2 <sup>nd</sup> Holder		
3 <sup>rd</sup> Holder		

Signature of two witnesses

	Name and Address	Signature with date
1.		
2.		

**INSTRUCTIONS:**

- The Nomination can be made by individuals only applying/holding shares on their own behalf singly or jointly. Non Individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder or power of attorney cannot nominate. If the shares are held jointly, all joint holders will sign the nomination form.
- A minor can be nominated by a holder of shares and in that event, the name and address of the Guardians shall be given by the holder.
- The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a power of attorney holder.
- Nomination stands rescinded upon transfer of share.
- Transfer of share in favour of a nominee shall be valid discharge by a company against the legal heir.
- Separate Nomination forms should be used for each folio.
- A non resident Indian can be a nominee on repatriable basis.

FOR OFFICE USE ONLY

Nomination is Registered vide Regn. No. ....dated.....