

S.Kumars[®]

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Unitex Designs Limited
7th Annual Report
2007 - 2008

BOARD OF DIRECTORS

Mr. Warij A. Kasliwal	:	Chairman
Mr. Mukul S. Kasliwal	:	Vice-Chairman
Mr. V. K. Maloo	:	Managing Director
Mr. V. K. Jain	:	Director
Mr. Y. R. Shah	:	Director
Mr. Jayant Godbole	:	Director
Mr. G. Banerjee	:	Director

COMPANY SECRETARY :

Mr. Roy Jacob

REGISTERED OFFICE

S. KUMARS HOUSE, Plot No. 60,
MIDC, Phase II, Street 14,
Andheri (E), Mumbai 400 093.
Tel: 022 28322676
Email: info@skumarsunitex.com
Website: www.skumarsunitex.com

HEAD OFFICE

148/149, Laxmi Plaza
Laxmi Industrial Estate,
Andheri-W, Mumbai-400053
Tel: 022 40638800/01
Fax: 022 40638888

AUDITORS

M/s. Malpani & Associates
Chartered Accountants,
307, Chartered House,
Marine Lines, Mumbai 400 002.

MAIN BANKERS

ICICI Bank Ltd, MIDC Branch.
M.I.D.C. Marol, Andheri (E).

REGISTRAR & TRANSFER AGENTS

M/s. Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Sakinaka,
Andheri (East), Mumbai 400 073.
Tel: 022 28473747
Fax: 022 28475207
Email: info@bigshareonline.com
Website: bigshareonline.com

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NOTICE

NOTICE is hereby given that the 8th Annual General Meeting of the members of Unitex Designs Ltd will be held on Monday, the 22nd day of December 2008 at 4.00 P.M at Sunville Hall, 9, Dr. Annie Basant Road, Worli, Mumbai-400018 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2008 and the Audited Balance Sheet as on that date together with the reports of the Auditors and the Directors thereon.
2. To appoint a director in place of Mr. Warij. A. Kasliwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Y. R. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Jayant Godbole, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. Malpani & Associates, Chartered Accountants as the Statutory Auditors of the company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the 9th Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification (s) or re-enactment thereof, Mr. Vrajendra Kumar Maloo, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

“ RESOLVED THAT pursuant to the provisions of section 198, 269, 309 and 311 and other applicable provisions, if any of the Companies act, 1956 read with Schedule XIII as amended, approval of the members be and is hereby accorded to the appointment of Mr. Vrajendra Kumar Maloo, as the Managing Director of the Company for a period of Three years with effect from 1st August 2008 on the terms and conditions, including expressly the remuneration and perquisites payable to him, as set out in the draft Agreement between the Company and the said Mr. Vrajendra Kumar Maloo produced at this meeting and, for the purpose of identification, initialed by the Chairman hereof”.

“RESOLVED FURTHER THAT in the event of any statutory amendment or modification to the managerial persons or to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, etc. within such prescribed limits”.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps expedient or desirable to give effect to this resolution”.

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**

2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the special business to be transacted at the meeting is annexed hereto.
3. Members are requested to notify immediately any change in their address along with Pin Code Number to the Company / Share Transfer Agents.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 17th day of December, 2008 to Friday, the 19th day of December, 2008 (Both days inclusive). for the purpose of 8th Annual General Meeting.
5. Members may avail of the facility of dematerialization by opening Depository accounts and get the equity share certificates held by them dematerialized.

FOR AND ON BEHALF OF THE BOARD

Sd/-
(W. A. Kasliwal)
Chairman

Place: - Mumbai

Date: -22nd October, 2008**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT****(PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956)****ITEM NO. 6 & 7**

Mr. Vrajendra Kumar Maloo was appointed as an Additional Director of the Company in accordance with the provisions under Section 260 of the Companies Act, 1956 read with article 109 of the Articles of Association of the company with effect from 22nd July, 2008 to hold office upto the ensuing Annual General Meeting of the members of the Company. The company has received a notice together with the required deposit from a member under Section 257 of the Companies Act, 1956, signifying his intention proposing Mr. Vrajendra Kumar Maloo as candidate for the office of the Director. The approval of the shareholders is sought for the said appointment as director liable to retire by rotation.

Further in the same meeting of the Board Mr. Vrajendra Kumar Maloo was appointed as Managing Director of the Company on the terms and conditions as contained in the draft agreement between the Company and Mr. Maloo. Pursuant to the Provisions of Section 269 of the Companies Act, 1956 read with Schedule XIII the appointment of Mr Maloo as the Managing director of the Company needs the approval from the Shareholders of the company.

Mr. Vrajendra Kumar Maloo, aged 58 years, a Chartered Accountant by profession has an experience of more than 30 years in managing business units in diversified spectrum of old and newer technology industries from manufacturing to service sectors, Textiles to Sponge Iron, Software to Cellular Services.

As per the said agreement between the company and Mr. V. K. Maloo, he is entitled to receive the following remuneration subject to the approval of shareholders in general meeting.

Basic Salary : Rs. 1,47,725/- per month

Allowances & Perquisites :

- i) House Rent allowance : 30% of Basic Salary per month
- ii) Medical Reimbursement : Reimbursement of expenses for self and family, subject to a ceiling of Rs.15,000/- p.a
- iii) Leave Travel Allowance for self and family subject to a ceiling of one month basic salary per annum
- iv) Contribution to Gratuity : 15 days salary for each completed year of service.
- v) Bonus : 8.33% p.a.

- vi) Company Car with chauffer -running and maintenance expenses at actuals
- vii) Mobile Phone Expenses: at actuals

Mr. Vrajendra Kumar Maloo is not related to any director of the company and not holding shares of the company.

The Board of Directors recommend the passing of the resolution.

None of the Directors except Mr. Vrajendra Kumar Maloo is concerned or interested in the resolution.

GENERAL INFORMATION AS PER SECTION-II (B) (IV) OF SCHEDULE XIII OF COMPANIES ACT, 1956

I. General Information:

1. Nature of Industry: Textile Industry
2. Date of Commencement of Commercial production: company is an existing player in the textile industry.
3. Financial Performance: Being a new player in the Textile Industry Company's turnover is 2 Crores only in the financial year 2007-08.
4. Export Performance : Income from Sale of Fabric & Ready Made Garments: Rs. 194.18 Lacs (Previous Year Rs 15.35 Lacs), Expenditure on Exhibition: Rs. 3.47 Lacs (Previous Year Rs. 5.17 Lacs), Commission Rs. 2.85 Lacs (Previous Year Rs Nil) and Foreign travel Rs. 3.20 Lacs (Previous Year Nil)

II .Information About the Appointee

1. Background Details: Mr. Vrajendra Kumar Maloo, aged 58 years, a Chartered Accountant by profession have an experience of more than 30 years in managing business units in diversified spectrum of old and newer technology industries from manufacturing to service sectors, Textiles to Sponge Iron, Software to Cellular Services.
2. Past Remuneration: Rs. 100 Lacs Per Annum
3. Recognition or Awards:
 - ❖ Energy Efficiency and Conservation Award- Department of Energy, Philippines.
 - ❖ 'Grand Kapatid Award' the Philippines National Award for excellence in management, in 2004.
 - ❖ Two star Child Friendly award form International Labor Organisation, in 2002.
 - ❖ Philippine National Award for productivity, in 2001.
 - ❖ International Platinum Star Award for Quality from B.I.D. Spain. in 2000.
4. Job Profile and Suitability: Being the Managing Director of the Company he holds the substantial powers of management of the Company and having the wide experience of managing diversified spectrum of old and newer technology industries, Mr. Maloo will be a suitable person to manage the affairs of the Company.
5. Proposed Remuneration: As detailed herein above.
6. The managing director shall not have any pecuniary relationship directly or indirectly with the Company or with any of the managerial personnals of the Company.

FOR AND ON BEHALF OF THE BOARD

Sd/-

(W. A. Kasliwal)
Chairman

Place: - Mumbai

Date: - 22nd October, 2008

Unitex Designs Ltd.
7th Annual Report

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Seventh Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2008.

FINANCIAL HIGHLIGHTS

The operating results of the company for the period under review are as follows:

(Amount in Rupees)

Particulars	From 01/04/2007 to 31/03/2008 (12 months)	From 01/04/2006 to 31/03/2007 (12 months)
Profit / (Loss) before depreciation & tax	1,32,001	13,50,855
Less: Depreciation	1,29,859	98,062
Profit / (Loss) before tax	2142	12,52,793
Add: Provision for tax		(1,50,000)
Add: Deferred Tax	3,489	3,06,940
Fringe benefit Tax	(143,484)	(2,05,697)
Profit / (Loss) after tax	(1,37,853)	12,04,036
Add: Balance in Profit & Loss account brought forward from previous year	(4,28,21,582)	(4,40,25,618)
Prior Period Expenses	(89,579)	--
Balance carried to Balance Sheet	(4,30,49,014)	(4,28,21,582)
Appropriation	--	--
Proposed Dividend	--	--
Provision for dividend tax	--	--
Balance available for appropriation	--	--
Earning Per Share	--	0.13

DIVIDEND

Your Directors do not recommend any dividend.

THE YEAR IN RETROSPECT

Being a newly reorganised business model company's turnover during the year ended 31st March 2008 was approximately Rs.3.4 Crores and company is tapping all ways to increase its business.

The Company had entered into the ready to wear corporate uniform business in the year 2006 and have major expansions plans in this segment.

NEW VENTURES

Your Company is actively working for establishing the "Unimart" and "Medallion" brands in the Uniform market and to increase its domestic and international market.

DIRECTORS

Pursuant to the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr. Warij A. Kasliwal, Mr. Jayant Godbole and Mr. Y. R. Shah retires by rotation and being eligible, offer themselves for reappointment. Mr. S. C. Dalal and Mr. P. K. Laheri resigned from the Board with effect from 13-10-2008 and 17-10-2008 respectively Pursuant to the provisions of Section 260 of the companies Act, Mr. V. K. Maloo has been appointed as an Additional Director and will hold office of director till the ensuing Annual General Meeting. Company received notice under Section 257 of the Companies Act, for his appointment as a Director liable to retire by rotation and the Board recommends his appointment in the ensuing Annual General Meeting as a Director liable to retire by rotation.

Mr.V. K. Maloo has been appointed as Managing Director of the Company with effect from 1st August 2008

AUDITORS

M/s. Malpani & Associates, Chartered Accountants, Mumbai, the Statutory Auditors of the Company are retiring at the forthcoming annual general meeting of the Company and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

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

DEMATERIALISATION OF SHARES

The Equity Shares of the Company are under compulsory dematerialisation as per the notification issued by Securities and Exchange Board of India. Your company offers simultaneous Transfer-Cum-Demat facility to shareholders who send physical shares for transfer. A total of 79.03% of the shares are held in dematerialised form. We request the shareholders who are holding shares in physical form to get the same dematerialised at the earliest.

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

The Management's Discussion & Analysis Report for the year under review, as stipulated under Clause-49 of the Listing Agreement with the Exchange, is presented in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. Your Directors adhere to the requirements set out in the Listing Agreement with the Stock Exchange and have implemented all the prescribed requirements.

Report on Corporate Governance as stipulated under Clause-49 of the Listing Agreement with the Stock Exchange forms part of the Annual Report. Certificate from the Statutory Auditors of the Company, M/s. Malpani & Associates, confirming compliance of the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed to this report.

FIXED DEPOSITS

The Company has not accepted or invited any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 during the year and there are no unpaid or unclaimed deposits with the Company.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with the provisions of the Companies (Particulars of Employees) Rules, 1975, as amended, regarding the employees are set out in annexure to this Report. However as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956 the Annual Report excluding the said information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered office of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956, the Board confirms:

- (i) that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) 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;
- (iv) that the Directors have prepared the Annual Accounts on a going concern basis.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO.

The provisions of Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 are not applicable to the Company, except the foreign exchange earnings and outgo.

Foreign Exchange Earning : Rs.194.18 Lacs (Previous Year Rs. 15.35 Lacs)

Foreign Exchange Outgo : Rs.9.52 Lacs (Previous Year Rs. 5.18 Lacs)

RELATIONS WITH EMPLOYEES

The relations with the employees at all levels were cordial. The Directors take this opportunity to place on record their appreciation for the devoted and committed services rendered by the workers and staff members during the year under review.

ACKNOWLEDGEMENT

The Directors place on record their sincere gratitude to the Customers, Dealers, Agents, Shareholders, Bankers and Govt. Departments for their continued support to the Company.

FOR AND ON BEHALF OF THE BOARD

Sd/-
W. A. Kasliwal
Chairman

Place: - Mumbai

Date: - 22nd October 2008

CORPORATE GOVERNANCE REPORT

The Corporate Governance is focused on enhancing stakeholders value, bringing more accountability and transparency in the functioning of the Company. The Company's management firmly believes the good corporate governance, should be internally driven and not just looked upon as a statutory requirement.

Your Company has complied with the requirements of Corporate Governance Code and disclosure requirements as per the Listing Agreement.

A] BOARD COMPOSITION

During the year ended on 31st March, 2008, total 7 Board Meetings were held on the following dates:

16.04.2007 30.06.2007 31.07.2007 25.08.2007 22.10.2007 03.01.2008 31.01.2008

The details of attendance of the directors are as follows: -

Sl.No	Name of the Director	Designation	Attendance at Board Meetings	Attendance at last AGM	Category
1	Mr. Warij A. Kasliwal	Chairman	06	Yes	Promoter Non-executive Director
2	Mr. Mukul S.Kasliwal	Vice -Chairman	06	No	Promoter Non-executive Director
3	Mr. V. K. Jain	Director	07	Yes	Independent Nonexecutive Director
4	Mr. S. C. Dalal (Resigned w. e. f. 13.10.2008)	Director	06	Yes	Independent Non executive Director
5	Mr. Y. R. Shah	Director	4	Yes	Independent Non executive Director
6	Mr. Jayant Godbole (appointed as an additional director with effect from 16.04.2007)	Director	3	Yes	Independent Non executive Director
7	Mr. P. K. Laheri (Resigned w. e. f. 17.10.2008)	Director	3	No.	Independent Non executive Director
8	Mr. G. P. Banerjee (appointed as an additional director with effect from 25.08.2007)	Director	2	No.	Independent Non executive Director