

9TH ANNUAL REPORT 2001-2002

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UNIRAYA
Textile Industries Limited

BOARD OF DIRECTORS

Shri Pritam Chand Mahajan	Chairman
Shri Arvind Mahajan	Managing Director
Smt. Rashmi Mahajan	Executive Director
Shri R.K. Gupta (Nominee H.S.I.D.C.)	Director
Shri Sanjiv Kumar	Director
Shri K.K. Malik	Director
Shri Pradeep Aggarwal	Director
Shri Akhil Mahajan	Director

AUDITORS

M/s S. Sud & Co.
Chartered Accountants
1st Floor, 4-A, Khurana Bhawan,
Lawrance Road, Amritsar
Phone : 212993, 211352

SHARE TRANSFER AGENTS

M/s Aggarwal & Associates
(SEBI Registered Category - II,
Registrars & Share Transfer Agents)
SCO 64, IIInd Floor, Sector 20-C,
Dakshin Marg, Chandigarh - 160 020
Ph. : 0172-705064, 701705

DEMAT REGISTRAR

M/s In-House Share Registry
3, Community Centre,
Naraina Industrial Area, Phase-I,
New Delhi- 110 028

REGISTERED OFFICE & FACTORY

365, Phase-II, Industrial Estate,
Panchkula - 134 113 (Haryana)
Ph. : 0172-591912, 591960
Fax : 0091-172-591837

BANKERS

Punjab National Bank
Sector 16, Chandigarh

STOCK EXCHANGE

Jaipur Stock Exchange Limited
Stock Exchange Building
Jawaharlal Nehru Marg,
Malviya Nagar, Jaipur - 302 017

The Ludhiana Stock Exchange Assn. Ltd.
Feroze Gandhi Market,
Ludhiana - 141 001

The Delhi Stock Exchange Ass. Ltd.
West Plaza, Indira Gandhi Stadium,
Indraprastha Estate,
New Delhi - 110 002

The Stock Exchange Mumbai
Phiroze Jeejeebhoy Towers
Mumbai - 400 001

UNIROYAL TEXTILE INDUSTRIES LIMITED

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ANNUAL GENERAL MEETING NOTICE

Notice is hereby given that the 9th Annual General Meeting of the members of **M/s Uniroyal Textile Industries Limited** will be held on Thursday, 26th September, 2002 at 10 a.m. at Hotel Prabhat Inn Sector 10, Panchkula to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the company as at 31st March, 2002 and the audited Profit & Loss Account for the financial year ended on that date alongwith the Directors' and Auditors' Reports thereupon.
2. To appoint a director in place of Mr. Sanjiv Kumar who retires by rotation, but being eligible has offered himself for re-appointment.
3. To appoint a director in place of Mr. Akhil Mahajan who retires by rotation, but being eligible has offered himself for re-appointment.
4. To appoint Auditors of the company and fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications, the following resolution as ORDINARY RESOLUTION:

"RESOLVED THAT the remuneration of Mr. Arvind Mahajan, Managing Director be and is hereby increased w.e.f. 1st August, 2002 as per the following details:

- | | |
|---------------------------------------|--|
| A. Salary | : Rs. 40,000/- (Rs. Forty Thousand only) per month. |
| B. Commission | : 0.75% of net sale for the financial year. |
| C. Housing | : The appointee shall be provided by the company a rent free furnished accommodation with one watchman and the expenditure incurred on gas, electricity and water shall be reimbursed to him by the company. |
| D. Medical Reimbursement | : The company shall reimburse the medical expenses incurred for the appointee and his family. |
| E. Club Fees | : Fee of clubs subject to a maximum of two clubs, including admission and life membership fees. |
| F. Personal accident Insurance | : Premium not to exceed Rs. 10,000 per annum. |
| G. Leave Travel Concession | : First class air passage for self, wife dependent children and dependent parents of the appointee once in a year. |
| H. Car | : Provision of car for official-cum-personal use. However, the valuation of personal use of car shall be treated as perquisite of the appointee. |
| I. Telephone | : Provision of telephone at residence for official-cum-personal use. However, the valuation of personal use of telephone shall be treated as perquisite of the appointee. |



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Other Perquisites : The appointee shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration :

- (a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
- (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- (c) Encashment of leave at the end of the tenure."

Provided however that in case the company has no profits or its profits are inadequate, the sum total of salary and perquisites stated in clause (A) to clause (I) above shall not exceed the limit of remuneration prescribed under Para 1(A) of Section II of Part II of Schedule XIII to the Companies Act, 1956.

Provided further that even in case of loss or inadequate profits during any financial year, Mr. Arvind Mahajan will be paid the aforesaid remuneration as minimum remuneration."

6. To consider and if thought fit, to pass with or without modifications, the following resolution as ORDINARY RESOLUTION:

"RESOLVED THAT the remuneration of Mrs. Rashmi Mahajan, Executive Director be and is hereby increased w.e.f. 1st August, 2002 as per the following details:

- A. **Salary** : Rs. 40,000/- (Rs. Forty Thousand only) per month.
- B. **Commission** : 0.75% of net sale for the financial year.
- C. **Medical Reimbursement** : The company shall reimburse the medical expenses incurred for the appointee and her family.
- D. **Club Fees** : Fee of clubs subject to maximum of two clubs, including admission and life membership fees.
- E. **Personal accident Insurance** : Premium not to exceed Rs. 10,000 per annum.
- F. **Leave Travel Concession** : First class air passage for self, spouse dependent children and dependent parents of the appointee once in a year.
- G. **Car** : Provision of car for official-cum-personal use. However, the valuation of personal use of car shall be treated as perquisite of the appointee.
- H. **Telephone** : Provision of telephone at residence for official-cum-personal use. However, the valuation of personal use of telephone shall be treated as perquisite of the appointee.

Other Perquisites : The appointee shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration :

- (a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

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- (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- (c) Encashment of leave at the end of the tenure."

Provided however that in case the company has no profits or its profits are inadequate, the sum total of salary and perquisites stated in clause (A) to clause (H) above shall not exceed the limit of remuneration prescribed under Para 1(A) of Section II of Part II of Schedule XIII to the Companies Act, 1956.

Provided further that even in case of loss or inadequate profits during any financial year, Mrs. Rashmi Mahajan will be paid the aforesaid remuneration as minimum remuneration."

By order of the Board

Sd/-

(Pritam Chand Mahajan)
Chairman

Dated : 29.07.2002

Place : Panchkula

NOTES :

1. A member who is entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. The proxy form duly filled in and signed must reach the Registered Office of the company at least 48 hours before the meeting.
2. Explanatory Statements pursuant to Section 173 (2) of the companies Act, 1956 in respect of Item No. 5 and 6 are enclosed herewith and form part of this Meeting Notice.
3. All documents referred to in this meeting notice and the accompanying Statements are open for inspection at the Registered Office of the company on all working days (except Saturdays and Holidays) during business hours upto the date of Annual General Meeting.
4. Members are requested to notify to the company immediately change in their address, if any.
5. The Register of Members and Transfer Books of the company will remain closed from 23rd September, 2002 to 26th September, 2002 (both days inclusive) at the time of Annual General Meeting of the Company.
6. Members having any queries relating to the Annual Report are requested to write to the company at least 7 days before the date of Annual General Meeting so as to enable the Management to keep the information ready.
7. Members are requested to bring their copy of the Annual Report alongwith them to the Meeting as copies of the Annual Report will not be distributed at the meeting.
8. Members are requested to produce the Attendance Slip at the entrance to the venue.
9. Members are required to take note that M/s Aggarwal & Associates, S.C.O. 64, 11nd Floor, Sector 20-C, Dakshin Marg, Chandigarh-160 002, registered with the securities and Exchange Board of India are the share transfer agents of the Company. Hence all correspondence and queries relating to the shares may be addressed by the members directly to M/s Aggarwal & Associates.
10. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) for providing dematerialisation facilities to the members of the Company. M/s In-House share registry having their office at 3, Community Centre, Naraina Industrial Area, Phase-I, New Delhi-110 028 are the company's Demat Registrar.



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EXPLANATORY STATEMENTS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 5

Mr. Arvind Mahajan was appointed as Managing Director of the company for five years w.e.f. 20th April, 1999. He has been devoting his full time and energy in working and progress of the company. Under his stewardship, the company has been able to earn profits despite recession in the market.

Mr. Arvind Mahajan was appointed at a remuneration of Rs. 25,000 per month plus other allowances and perquisites. There has been no increase in his remuneration since then.

It is now proposed to increase the Remuneration of Mr. Arvind Mahajan as per the details contained in the proposed resolution.

The Board of Directors in their meeting held on 29th July, 2002 has increased the remuneration of Mr. Arvind Mahajan as Managing Director of the company subject to approval of the members of the company. The increased remuneration shall be within the limits prescribed under Para 1(A) of Section II of Part II of Schedule XIII to the Companies Act, 1956.

The resolution is therefore being placed before the members for their approval by way of ordinary resolution.

Mr. Arvind Mahajan, being himself the proposed appointee and Mr. P.C. Mahajan, Mrs. Rashmi Mahajan and Mr. Akhil Mahajan being his relatives are interested in the proposed resolution.

ITEM NO. 6

Mrs. Rashmi Mahajan was appointed as Executive Director of the company for five years w.e.f. 1st July, 2000. She has been devoting her full time and energy in working and progress of the company. It was under her supervision and control that the company has been able to produce high quality woven labels which have acquired a tremendous goodwill and reputation in the market.

Mrs. Rashmi Mahajan was appointed at a remuneration of Rs. 30,000 per month plus other allowance and perquisites. There has been no increase in her remuneration since then.

It is now proposed to increase the Remuneration of Mrs. Rashmi Mahajan as per the details contained in the proposed resolution.

The Board of Directors in their meeting held on 29th July, 2002 has increased the remuneration of Mrs. Rashmi Mahajan as Executive Director of the company subject to approval of the members of the company. The increased remuneration shall be within the limits prescribed under Para 1(A) of Section II of Part II of Schedule XIII to the Companies Act, 1956.

The resolution is therefore being placed before the members for their approval by way of ordinary resolution.

Mrs. Rashmi Mahajan being herself the proposed appointee and Mr. Arvind Mahajan, Mr. P.C. Mahajan and Mr. Akhil Mahajan being her relatives are interested in the proposed resolution.

UNIROYAL TEXTILE INDUSTRIES LIMITED**DIRECTOR'S REPORT****9th Annual Report
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The Members
Uniroyal Textile Industries Limited,

Your Directors have pleasure in presenting their 9th Annual Report together with the Audited statements of accounts of the company for the Financial Year ended 31st March, 2002.

FINANCIAL RESULTS

Particulars	(Rs. in Lacs)	
	Financial Year Ended 31.03.2002	Financial Year Ended 31.03.2001
Sales	456.16	442.49
Other Income	0.47	1.46
Total Income	456.63	443.95
Total Expenditure	304.74	251.72
Interest	45.22	45.22
Gross Profit after interest but before depreciation & tax	106.67	147.95
Depreciation	87.85	78.47
Prior Period Adjustments	(0.95)	0.24
Profit Before Tax	19.77	69.71
Provision for Tax		
- Current Year	1.71	5.91
- Deferred Tax Liability	10.27	0.00
Net Profit	7.79	63.80
Appropriations		
Income Tax Adjustment	0.00	0.02
Transferred to General Reserve	5.00	10.00
Carried to Balance Sheet	2.79	53.78
Paid up equity share Capital	488.55	488.85
Reserves & Surplus	230.94	212.87

The year under review started with a not so encouraging note for the industry in general and textile industry in particular. There was recession in the national as well as international market in the first half year and it was expected that the market will improve in the second half but due to WTC terrorist attack, situation deteriorated further. Profitability declined and your company earned only Rs.19.77 lacs before taxation. However cash accruals were sufficient to serve the debt liability of the company.

The current financial year has started with a positive note. Due to our focused attention on quality and timely deliveries, the profitability is expected to improve in the current year.



UNIROYAL TEXTILE INDUSTRIES LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the Companies Act, 1956, it is hereby stated

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) That the directors have selected such accounting policies and applied them consistently and made judgments 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 and 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 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.

LISTING OF SHARES

The Shares of your company are listed on four Stock Exchanges viz. Delhi, Mumbai, Jaipur and Ludhiana. The company has regularly paid listing fees to all the four exchanges.

DIRECTORS

Mr. Akhil Mahajan and Mr. Sanjiv Kumar retire by rotation as directors of the company. Being eligible, they have offered themselves for re-appointment.

The Board recommends the appointment of Mr. Akhil Mahajan and Mr. Sanjiv Kumar as directors of the company liable to retire by rotation.

AUDITORS' OBSERVATIONS

Auditor's observations have been suitably explained in the notes to accounts.

AUDITORS

M/s S. Sud & Co., Chartered Accountants, are the present Auditors of the company and are liable to retire at the forthcoming annual general meeting of the Company. However, they have expressed their unwillingness to be re-appointed as Auditors of the company for the financial year 2002-2003.

M/s Sud Gupta & Associates Chartered Accountants have agreed to act as Auditors of the Company in place thereof and have certified that their appointment as auditors, if made, would be within the limit specified u/s 224 (IB) and 224 (IC) of the Companies Act, 1956.

The Board recommends their appointment as Auditors of the company for the financial year 2002-2003.