

Uti
Uniroyal
Textile Industries Limited

Report  Junction.com

13TH ANNUAL REPORT 2005-2006

BOARD OF DIRECTORS

Shri Arvind Mahajan	Managing Director
Smt. Rashmi Mahajan	Executive Director
Shri Pritam Chand Mahajan	Director
Shri Sanjiv Kumar	Director
Shri K.K. Malik	Director
Shri Pardeep Aggarwal	Director
Shri Akhil Mahajan	Director
Shri Anirudh Khullar	Director
Shri Sushil Gupta	Director

AUDITOR

M/s Sud Gupta & Associates
Chartered Accountants
1st Floor, 4-A, Khurana Bhawan,
Lawrence Road, Amritsar
Phone : 0183-2212993, 2211352

REGISTERED OFFICE CUM FACTORY

365, Phase-II, Industrial Estate,
Panchkula - 134 113 (Haryana)
Ph. : 0172-2593592, 5066531-34
Fax : 0091-172-2591837

SHARE TRANSFER AGENTS CUM DEMAT REGISTRAR

M/s In-time Spectrum Registry Ltd.
A-31, 3rd Floor, Near PVR Cinemas,
Naraina Industrial Area, Phase-I,
New Delhi - 110 028
Phone : 011-41410592-93-94

BANKERS

State Bank of India
Specialised Commercial Branch,
Sector 17, Chandigarh

UNIROYAL TEXTILE INDUSTRIES LIMITED**ANNUAL GENERAL MEETING NOTICE****13th Annual Report
2005-2006**

Notice is hereby given that the 13th Annual General Meeting of the members of M/s Uniroyal Textile Industries Limited will be held on Friday, 29th September, 2006 at 10.00 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, 2006 and the Profit & Loss Account for the financial year ended on that date alongwith the Directors' Report and Auditors' Report thereupon.
2. To appoint a director in place of Mr. Pardeep Aggarwal who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. Anirudh Khullar who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Sushil Gupta who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the company and to fix their remuneration.

Dated : 29.07.2006

By order of the Board

Place : Panchkula

S/d

(Arvind Mahajan)
Mg. Director**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. 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 Holidays) during business hours upto the date of Annual General meeting.
3. Members are requested to notify to the company immediately change in their address, if any.
4. The Register of Members and Transfer Books of the company will remain closed from 26th September, 2006 to 29th September, 2006 (both days inclusive) at the time of Annual General Meeting of the company.
5. Members having any query 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.
6. Members are requested to bring their copy of the Annual Report along with them to the meeting, as copies of the Annual Report will not be distributed at the meeting.
7. Members are requested to produce the Attendance Slip at the entrance to the venue.
8. M/s Sud Gupta and Associates, Chartered Accountants are the present Auditors of the Company. Pursuant to the section 224 of the Companies Act, 1956 they would retire as Auditors at this Annual General Meeting of the company. Being eligible they have offered themselves for re-appointment.



UNIROYAL TEXTILE INDUSTRIES LIMITED

DIRECTORS' REPORT

(Pursuant to Section 217 of the Companies Act, 1956)

The Members

Uniroyal Textile Industries Limited,

The Board of Directors of your company are pleased to present the 13th Annual Report together with Audited accounts of the company for the Financial Year ended 31st March, 2006 and the Auditor's Report thereon:

FINANCIAL RESULTS

Particulars	(Rs. in Lacs)	
	Financial Year Ended 31.03.2006	Financial Year Ended 31.03.2005
Sales	617.32	468.30
Other Income	162.95	3.28
Total Income	780.27	471.58
Total Expenditure	444.68	307.86
Interest	39.59	17.83
Gross Profit after interest but before depreciation & tax	294.00	145.89
Depreciation	99.14	105.40
Prior Period Adjustments	0.67	1.58
Profit Before Tax	194.19	38.91
Provision for Tax		
-Current Year	18.76	3.05
-Deferred Tax Liability	70.90	8.83
Net Profit	104.53	27.03
<u>Appropriations</u>		
Income Tax Adjustment	0.05	0.00
Transferred to General Reserve	20.00	5.00
Carried to Balance Sheet	84.47	22.03
Paid up equity share capital	603.55	488.55
Reserves & Surplus	484.75	307.87

REVIEW OF OPERATIONS

During the year ended 31st March 2006, the company achieved turnover of Rs. 617.32 lacs as against turnover of Rs. 468.30 lacs in the previous year. The growth in turnover was 31.82%. Profit before tax also increased from Rs. 38.91 lacs to Rs. 194.19 lacs. During the month of April, 2005, fire broke out in the factory premises of the company damaging some of the machines and work in process. Company received claim of Rs. 319.00 lacs from M/s Bajaj Allianz Insurance Company and the entire machinery

UNIROYAL TEXTILE INDUSTRIES LIMITED**13th Annual Report
2005-2006**

was reinstated. Your company has recently completed the expansion and has installed 4 high speed narrow fabric looms, 3 cut and fold machines and some other machines with total outlay of Rs. 522 lacs. Expansion has been financed from internal sources and term loan from state Bank of India. Your company is confident of doing better in the ensuing year with enhanced capacity. The other relevant details are mentioned in the management discussion and analysis report annexed to this report.

CAPITAL STRUCTURE

During the financial year ended 31st March 2006, share capital was raised twice. First with the approval of members received in the EOGM held on 22nd June, 2005, the company allotted 8,50,000 equity shares on preferential allotment basis to M/s Emm Bee Financial Services Limited, non-promoter of the company at a price of Rs. 10 per share. Secondly 3,00,000 equity shares at a premium of Rs. 0.50 was allotted to Mrs. Dimple Mahajan belonging to promoter group with the approval of members in AGM held on 30th September 05. The funds were utilized to meet the needs of business activities.

Consequent to the issue, the paid up equity capital of the company has increased from 488.55 lacs to Rs. 603.55 lacs.

STATUS OF AMALGAMATION

The Hon'ble High Court of Punjab & Haryana at Chandigarh has sanctioned the scheme of amalgamation of Sidhartha Textile Mills Ltd. & Uniroyal Pharmaceuticals Ltd. with Uniroyal Textile Industries Ltd. vide order dated 27.07.2006. Copy of the order is yet to be received.

LISTING STATUS OF SHARES

Shares of your company are listed on the Stock Exchanges of Mumbai and Delhi.

Your company is regular in paying annual listing fees to the concerned stock exchanges.

DIRECTORS

Mr. Pardeep Aggarwal, Mr. Anirudh Khullar and Mr. Sushil Gupta would retire by rotation as directors of the company at the forthcoming Annual General Meeting and being eligible they offered themselves for re-appointment as directors of the company.

The Board recommends the appointment of Mr. Pardeep Aggarwal, Mr. Anirudh Khullar and Mr. Sushil Gupta 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 Sud Gupta & Associates, Chartered Accountants, are the present Auditors of the company. Pursuant to section 224 of the Companies Act, 1956, they would retire as auditors at the forthcoming 13th Annual General Meeting of the company and being eligible they have offered themselves for re-appointment.

The Board recommends their re-appointment as Auditors of the company for the financial year 2006-2007.



UNIROYAL TEXTILE INDUSTRIES LIMITED

CORPORATE GOVERNANCE

As required by clause 49 of the Listing Agreement with the Stock Exchanges, a report on the Corporate Governance together with Auditors' certificate on Corporate Governance is appended to the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required by clause 49 of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis report is appended to the Annual Report.

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956.

None of the employees is covered under section 217(2A) of the Companies Act read with Companies (Particulars of employees) Rules, 1975 as amended, hence the same is not applicable.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

Pursuant of the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, the particulars of energy conservation and technology absorption are enclosed herewith as **Annexure A** forming integral part of this Directors' Report.

PERSONNEL AND INDUSTRIAL RELATIONS

The industrial relations continued to be cordial. The directors of your company wish to place on record their appreciation for the contribution of the workers and officers of the company at all levels.

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.

ACKNOWLEDGEMENT

The directors of your company wish to place on record their gratitude for cooperation extended by the Financial Institutions, Banks, customers, suppliers and Government agencies. The Board sincerely acknowledges the faith and confidence reposed by the shareholders of the company.

For and on behalf of the Board

Dated : 29.07.2006
Place : Panchkula

Sd/-
(Arvind Mahajan)
Managing Director

Sd/-
(Akhil Mahajan)
Director

UNIROYAL TEXTILE INDUSTRIES LIMITED**13th Annual Report
2005-2006****ANNEXURE-A****DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY
& TECHNOLOGY ABSORPTION****A. POWER AND FUEL CONSUMPTION**

Particulars	Current Year 2005-06	Previous Year 2004-05
1. Electricity		
(a) Purchased		
Unit	7,36,018 Units	7,47,549 Units
Total Amount	Rs. 31,13,313.00	Rs. 30,68,086.00
Rate/Unit	Rs. 4.23	Rs. 4.10
(b) Own Generation		
(I) Through Diesel Generator		
Unit	1,71,920 Units	91,280 Units
Units Per Ltr. of Diesel	2.80 Units	2.80 Units
Costs/Units	Rs. 10.62	Rs. 8.56
(II) Through Steam Turbine	NIL	NIL
2. Coal (specify Quality and where used)		
Quantity (Tonnes)	NIL	NIL
Total Cost	NIL	NIL
Average Rate	NIL	NIL
3. Furnance Oil		
Quantity (K.Ltr.)	NIL	NIL
Total Amount	NIL	NIL
Average Rate	NIL	NIL
4. Others Internal Generation (Please Give Details)		
Quantity	NIL	NIL
Total Cost	NIL	NIL
Rate/Unit	NIL	NIL

B. CONSUMPTION PER UNIT OF PRODUCTION

Particulars	Standards (if any)	Current Year 2005-06	Previous Year 2004-05
Production	Narrow Fabrics/ Woven Lables (in Pieces)	105.86 lacs	941.29 lacs
Electricity	None	8.63 Unit/1000 Pcs	8.91 Unit/1000 Pcs
Furnance Oil	N.A.	N.A.	N.A.
Coal	N.A.	N.A.	N.A.
(Specify Quality)			
Others (Specify)	N.A.	N.A.	N.A.



UNIROYAL TEXTILE INDUSTRIES LIMITED

C. TECHNOLOGY ABSORPTION

Not applicable because the company has neither entered into any collaboration with the foreign or domestic company nor it has spent any amount on research and development.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. **Activities relating to export, initiative taken to increase exports, development of new export markets for products and services and export plans.**

The company is continuously exploring avenues to increase exports to neighbouring countries.

2. Total foreign exchange dealing

	<u>Current Year</u>	<u>Previous Year</u>
	2005-06	2004-05
	(Rs.)	(Rs.)
CIF value of imports/consumables	22,72,907.00	2,72,380.00
CIF value of imports/capital goods	3,25,78,670.00	1,29,41,500.00
Expenditure in foreign currency	8,14,236.00	8,49,776.00
Earning in foreign currency	2,63,997.00	2,43,137.00

Report  junction.com

UNIROYAL TEXTILE INDUSTRIES LIMITED**13th Annual Report****2005-2006****REPORT ON CORPORATE GOVERNANCE**

(Pursuant to clause 49 of the Listing Agreement with the Stock Exchange)

1. Company's Philosophy on Corporate Governance

The Company is committed to attain highest standards of Corporate Governance. The company's philosophy on corporate governance emanates from its commitment for the highest level of transparency and accountability towards its shareholders, customers, employees, banks and the Government while maintaining steady focus for creation of wealth for shareholders on sustainable basis.

2. Board of Directors**(a) Composition and Category of directors**

The Board of Directors comprises of two (2) whole time directors including Managing Director, two (2) non-executive director and five (5) non-executive independent directors.

(b) Attendance of each director at the Meetings of the Board of Directors and the Last Annual General Meeting:

The meeting of the Board of Directors are held at periodical intervals. The meeting dates are decided well in advance and the agenda papers are circulated sufficiently in advance to the directors. The directors have access to all the information about the company and can suggest for inclusion of any other matter in the agenda for discussion at the Board meetings.

During the financial year ended 31st March, 2006 the Board met 14 times on 23rd April 05, 29th April 05, 17th May 05, 27th May 05, 28th June 05, 7th July 05, 30th July 05, 11th August 05, 31st August 05, 10th October 05, 15th October 05, 28th October 05, 30th December 05, and 31st January 06. The following table gives details of attendance of directors at the Board Meetings and at the last Annual General Meeting, the number of membership held by the directors in the Board/ committees.

Name of the Director	Category	Attendance Particulars		No. of other Directorship and Committee Member/Chairmanship		
		Board Meetings	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Sh. Arvind Mahajan	E-NI. (M.D.)	13	Yes	2	-	-
Smt. Rashmi Mahajan	E-NI	13	Yes	1	-	-
Sh. P.C. Mahajan	NE-NI	14	Yes	2	-	-
Sh. Akhil Mahajan	NE-NI	13	Yes	2	-	-
Sh. K.K. Malik	NE-I	4	No	-	-	-
Sh. Anirudh Khullar	NE-I	14	Yes	-	2	2
Sh. Sushil Gupta	NE-I	11	No	1	2	-
Sh. Pardeep Aggarwal	NE-I	-	No	2	2	-
Sh. Sanjiv Kumar	NE-I	-	No	5	-	-

NE-Non-Executive; NI-Non-Independent; E-Executive;

M.D.-Managing Director; I-Independent

This includes chairmanships/memberships of audit committees, shareholders grievance committees and remuneration committees of public limited companies, whether listed or not.

No Director is a member of more than 10 committees or chairman of more than 5 committees across all companies in which he is director.



UNIROYAL TEXTILE INDUSTRIES LIMITED

3. Audit Committee

(a) Brief description of terms of reference

The Board terms of reference for the Audit Committee include all the matters provided in revised clause 49 of the Listing Agreement and section 292A of the Companies Act 1956 which inter alia includes :

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
 3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
 4. Reviewing with the management the annual financial statements before submission to the board for approval with particular reference to :
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b. Change, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgement by management.
 - d. Significant adjustments made in the financial statement arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
 5. Reviewing, with management, the quarterly financial statements before submission to the board for approval.
 6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 8. Discussion with internal auditors any significant findings and follow up thereon.
 9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 10. Discussion with statutory auditors before the audit commences, about the nature and scope of audits as well as post-audit discussion to ascertain any area of concern.
 11. To look into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
 13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (b) An Audit Committee was constituted by the Board comprising three members Viz: Sh. Anirudh Khullar- Chairman, Sh. Sushil Gupta and Sh. Pardeep Aggarwal as members. All the three members are Independent and Non-Executive Directors. During the financial year ended 31st March, 2006, the Audit Committee met five times on 23rd April 05, 28th June 05, 30th July 05, 28th October 05 and 31st January 2006. Attendance of members at the meetings was as follows :

Name of Member	Status	No. of Meeting Attended
Mr. Anirudh Khullar	Chairman	5
Mr. Sushil Gupta	Member	5
Mr. Pardeep Aggarwal	Member	Nil