

13TH ANNUAL REPORT 2010-2011



Uniroyal
Industries Limited



BOARD OF DIRECTORS

Shri Arvind Mahajan	Managing Director
Smt. Rashmi Mahajan	Executive Director
Shri Akhil Mahajan	Executive Director
Shri Abhay Mahajan	Executive Director
Shri K.K. Malik	Director
Shri Pradeep Aggarwal	Director
Shri Anirudh Khullar	Director
Shri Sushil Gupta	Director

AUDITOR

A G P R S & ASSOCIATES
Chartered Accountants
2, Malviya Enclave,
Adjoining Siti Cable Office,
M.M. Malviya Road, Amritsar
Tel. : 0183-2228415

REGISTERED OFFICE CUM FACTORY

Plot No. 365, Phase-II,
Industrial Estate,
Panchkula - 134 113,
Haryana
Tel : 0172-2593592, 5066531-34
Fax : 0172-2591837

SHARE TRANSFER AGENTS CUM DEMAT REGISTRAR

LINK INTIME INDIA PRIVATE LTD.
A-40, 2nd Floor, Near Batra Banquet Hall,
Naraina Industrial Area, Phase-II,
New Delhi-110 028

BANKERS

State Bank of India
Specialised Commercial Branch,
Sector 17,
Chandigarh - 160 017

ANNUAL GENERAL MEETING NOTICE

Notice is hereby given that the 18th Annual General Meeting of the members of M/s Uniroyal Industries Limited will be held on Wednesday, 28th September, 2011 at 10.00 a.m. at Hotel Parbhat 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, 2011 and the Profit & Loss Account for the financial year ended on that date and the Report of Board of Directors and Auditors' thereon.
2. To appoint a director in place of Mrs. Rashmi Mahajan who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a director in place of Mr. Sushil Gupta who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the company and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modifications the following resolution as an **Ordinary Resolution**:
"Resolved that M/s AGPRS & Associates, Chartered Accountants, be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the company at a remuneration to be fixed by the Board."

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications, the following resolution as special resolution :-
"RESOLVED THAT pursuant to Section 269, 309, 310, 311 and other provisions applicable, if any, of the Companies Act, 1956 read with Schedule XIII, approval of the members of the company be and is hereby accorded to the re-appointment of Mr. Akhil Mahajan as Executive Director of the company for a period of 3 years w.e.f. 1st September, 2011.

FURTHER RESOLVED THAT Mr. Akhil Mahajan shall manage the affairs of the company under the directions, superintendence and control of the Board of Directors of the company.



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FURTHER RESOLVED THAT in consideration of his services as Executive Director, Mr. Akhil Mahajan shall be paid the following remuneration:

- A. Salary : Rs. 1,25,000/- (Rs. One Lac twenty five thousand only) per month.
- B. Medical : The company shall reimburse the medical expenses incurred for the appointee and his family.
- C. Club Fee : Fee of clubs subject to maximum of two clubs, including admission and life membership fees.
- D. Personal Accident Insurance : Premium not to exceed Rs. 10,000 per annum.
- E. Leave travel : First class air passage for self, Spouse, dependent children and dependent parents of the appointee once in a year.
- F. 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.
- G. 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.
- H. 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 during any financial year, the sum total of salary and perquisites stated above shall not exceed the limit of remuneration prescribed under para 1(B) of Section II of Part II of Schedule XIII to the Companies Act, 1956.

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

Dated: 29th July, 2011
Place: Panchkula

By order of the Board
sd/-
(Arvind Mahajan)
Managing 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. Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no. 5 is 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 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 25th September, 2011 to 28th September, 2011 (both days inclusive) at the time of Annual General Meeting of the company.
6. 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.
7. 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.
8. Members are requested to produce the Attendance Slip at the entrance to the venue.
9. M/s AGPRS & 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 18th Annual General Meeting of the company. Being eligible they have offered themselves for re appointment.

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

ITEM NO. 5.

Mr. Akhil Mahajan is a director of the company and is looking after the finance department of the company. He had been appointed as Executive Director of the company for five years w.e.f. 1st September, 2006. His term of appointment is expiring on 31st August, 2011

The Remuneration Committee in its meeting held on 29th July, 2011 has recommended his re-appointment as Executive Director on the remuneration given in above proposed resolution. Following the recommendations of the Remuneration Committee, the Board of Directors in its meeting dated 29th July, 2011 has reappointed Mr. Akhil Mahajan as Executive Director of the company for another term of three years w.e.f. 1st September 2011.

Appointment has been made under para 1(B) of Section II of Part II of Schedule XIII to the Companies Act, 1956 because the Remuneration Committee has approved the appointment & payment of remuneration and the company has not committed any default in repayment of its debts or interest payable thereon.

As per Schedule XIII of the Companies Act, 1956, approval of the members of the company by way of special resolution is required for his re-appointment. Therefore, the proposed resolution is being placed before the members for their approval.

Mr. Akhil Mahajan being himself the appointee, Mr. Arvind Mahajan being his father and Mrs. Rashmi Mahajan being his mother and Mr. Abhay Mahajan being his brother are interested in the proposed resolution. No other director is concerned or interested, in the proposed resolution.



REPORT ON CORPORATE GOVERNANCE

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

(1) Company's Philosophy on Corporate Governance

Your company believes that good Corporate Governance practices are crucial for enhancement and retention of stakeholders trust. Your Company has set out the required practice of Corporate Governance keeping in view the size, complexity and its traditional ethical values. The accountability, integrity and responsibilities in dealings with employees, shareholders, consumers and community at large are of utmost importance. The Company believes to achieve the global standards of corporate conduct towards all stakeholders, which needs to be better managed and governed and to align its activities with national interest. The culture of transparency, new development capabilities, identifying opportunities for value creation have been embedded in each and every employee of the company.

The company has adhered to the underlying principles of Corporate Governance and has made compliance with the corporate governance as an integral part of its day to day operations. The company believes in enhancing overall shareholders' wealth over a sustained period of time.

(2) Board of Directors

(a) Composition and category of Directors:

The existing strength of Board of Directors is four (4) whole time Directors including Managing Director and four (4) non executive Independent directors. The Executive Chairman of the Board of directors is a promoter Director. None of the non executive directors have any material pecuniary relationship or transactions with the company.

The Directors on the Board are experienced and competent persons from their respective fields. The independent Directors take active part in the Board and Committee Meeting which add value to the decision making process of the Board.

The composition of the Board of Director is in conformity with the Corporate Governance requirements.

(b) Attendance of Directors:

During the year 2010-11, the Company has held 7 Board Meetings as on 20th April 2010, 28th May, 2010, 30th July 2010, 8th October, 2010, 29th October 2010, 29th January 2011 and 31st March, 2011. The following table gives details of Directors, 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 of various companies.

Name of the Director	Category	Attendance Particulars		No. of other Directorship and Committee member/Chairmanship holding including UIL & other public limited companies			Share holding as on 31.03.11
		Board Meetings	Last AGM	Other Director Ship	Committee Member Ship	Committee Chairman Ship	Numbers (%Age)
Sh. Arvind Mahajan	E-NI (M.D)	6	Yes	3	1	-	1692889(20.47%)
Smt. Rashmi Mahajan	E-NI	6	Yes	1	1	-	408469(4.94%)
Sh. Akhil Mahajan	E-NI	7	Yes	3	1	-	390125(4.72%)
Sh. Abhay Mahajan	E-NI	7	Yes	1	-	-	452770(5.48%)
Sh. P. C. Mahajan Retired w.e.f. 5-7-10	NE-NI	1	No	-	-	-	NIL
Sh. Sanjiv Kumar Retired w.e.f. 23-7-10	NE-I	-	No	6	-	-	NIL
Sh. K. K. Malik	NE-I	2	No	-	-	-	NIL
Sh. Anirudh Khullar	NE-I	5	Yes	-	-	3	500(0.006%)
Sh. Sushil Gupta	NE-I	5	No	1	2	-	NIL
Sh. Pardeep Aggarwal	NE-I	-	No	-	2	-	3000(0.036%)

NE: Non Executive; NI-Non –Independent; M.D- Managing Director; E: Executive I-Independent

(C) Particulars of the Directors seeking Appointment/Reappointment at the forthcoming Annual General Meeting

Mrs. Rashmi Mahajan and Mr. Sushil Gupta are directors liable to retire by rotation. Being eligible they have offered themselves for re-appointment. The Board of Directors have recommended their re-appointment as Directors of the company.

Mr. Akhil Mahajan was re-appointed as Executive Director of the company w.e.f. 01.09.2011 in the Board Meeting held on 29.07.2011. His appointment is subject to the approval of the shareholders by way of Special Resolution in the Annual General Meeting. The same is therefore being placed before the shareholders in the forthcoming Annual General Meeting.

(3). Audit Committee

(a) Brief description of terms of reference

The Broad approved terms of reference to 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.



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2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of external auditor, fixation of audit fee.
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 Director's Responsibility Statement to be included in Board's report in terms of clause (2AA) of section 217 of the company Act, 1956
 - b) Change, if any, in accounting policies and practices and reason for the same
 - c) Major accounting entries involving estimates based on the exercise of judgment 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) Qualification in the draft audit report.
5. Reviewing with the 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 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 of any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matter 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 in existing.
13. Reviewing the company's risk management policy
14. Reviewing any changes in the accounting policies or practices as compared to the last completed financial year and commenting on any deviation from the accounting standards.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The audit Committee is empowered pursuant to its terms of reference to:

1. Investigate any activity within its terms of reference and to seek any information it requires from any employee
2. Obtain legal or other independent legal advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

(b) Composition of Committee

An Audit Committee was constituted by the Board comprising three Independent and non- Executive Directors: During the financial year ended 31st March, 2011, the Audit Committee met 5 times on 5th April 2010; 28th May 2010 ; 30th July 2010, 29th October, 2010 and 29th January, 2011. Attendance was as under:

Name of Members	Category	Status	Number of meetings attended
Sh. Anirudh khullar	NE-I	Chairman	5
Sh. Sushil Gupta	NE-I	Director	5
Sh. Pardeep Aggarwal	NE-I	Director	-

(4) Remuneration Committee:

This is a non-mandatory requirement of clause 49 of the listing agreement. The Board has however formed a remuneration committee in terms of Schedule XIII to the Companies Act, 1956. The Broad terms of reference of the Remuneration committee include all the matters provided in Schedule XIII to the Companies Act 1956 which inter alia includes approval of remuneration of Managing Director, Executive Directors after taking into account the financial position of the company.

The remuneration committee determines, on behalf of the board and shareholders, as per agreed terms of reference, the company's policy on specific remuneration packages for Executive Directors. The Remuneration Committee has the power to determine and recommend to the Board the amount of remuneration including performance based incentive and perquisites payable to Executive Directors. The Committee ensures that the remuneration by way of salary and other allowances and monetary value of the perquisites is within the overall limit as specified under the Companies act, 1956.

The Remuneration committee comprises of three members viz: Sh. Anirudh Khullar- Chairman, Sh. Sushil Gupta and Sh. Pradeep Aggarwal as members. All the three members are Independent and Non-Executive Directors. During the financial year 2010-11, no meeting of the remuneration committee was held.

Details of Remuneration paid

I. Executive Directors:

Name	Salary/ Commission/ Bonus	Perquisites	Provident Fund/ Retirement Benefits	Appointed as Executive Director from
Mr. Arvind Mahajan	2803499	101081	NIL	20.04.2009
Smt. Rashmi Mahajan	1243499	1067874	NIL	01.04.2010
Mr. Akhil Mahajan	1466498	160961	NIL	01.09.2006
Mr. Abhay Mahajan	1336498	49544	NIL	02.04.2007

II. Non-executive Directors:

The company has not paid sitting fees for attending the Board/ Committee meetings to Non-executive Directors.

(5) Share Transfer cum Investors Grievance Committee

Your company has a Share Transfer cum Investors Grievance Committee to look into the redressal of shareholders and investors grievances/complaints under the Chairmanship of Sh. Anirudh Khullar, Non Executive director of the company along with other 3 members Smt Rashmi Mahajan, Sh Arvind Mahajan and Sh. Akhil Mahajan.

The terms of reference of the Committee are under:

1. To approve the transfer/transmission of the securities of the company and oversee and review all matters connected with the transfer/transmission of the securities of the company.
2. To issue new certificates of securities of the company on split up or consolidation and issue of duplicate certificates of securities of the company against lost/torn/mutilated certificates etc.
3. To issue new certificates of securities in case of change in denomination of the securities of the company.
4. To decide on any matters relating to the securities of the company whether in physical or dematerialized form.
5. To formulate and implement the Company's code of conduct for prohibition of Insider trading in pursuance of SEBI (Prohibition of Insider Trading) regulations, 1992 and review and monitor its compliance.
6. To appoint and/or remove Compliance Officer of the company for complying with the requirements of the SEBI (Prohibition of Insider Trading) regulations and the Listing agreements entered into with various Stock Exchanges.
7. To appoint and/or remove the Registrar and Transfer Agent of the company and for that purpose to authorize any officer of the company to enter into Tripartite Agreement with the Registrar and Transfer Agent and depositories.
8. To review the performance of the Registrars and Transfer agents and recommend measures for improvement in quality of investor service.



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9. To look into the redressal of shareholders and investor complaints of any nature including but not limited to the following:
- Transfer of Securities.
 - Non receipt of Balance Sheet.
 - Non receipt of declared dividend.
 - Change of address of shareholders.
 - Non receipt of shares in Physical or dematerialized form.
 - Shareholders complaints of other nature forwarded to the company by the stock Exchanges /SEBI.
 - Correction/change of in bank mandate on refund orders.
 - Other complaints of similar nature received from shareholders.
10. Any other matter to be delegated under any applicable law or regulation or rules applicable to the company.
11. To delegate all or any of the powers mentioned above to any officer of the company and/or to the registrar and Share Transfer Agents appointed by the company.

The share transfer committee considers share transfer approvals once in a fortnight. However since there were no transfers in some of the fortnights, Seventeen meetings of the Share Transfer Cum Investor Committee were held during the year. All the complaints received during the financial year under review were duly redressed to the complete satisfaction of the respective shareholders expeditiously. As on 31st March, 2011, no complaint was pending for redressal and no shares were pending for transfer/dematerialization.

Name of Director	Category	Status	No. of Meetings attended
Mr. Anirudh Khullar	NE-I	Chairman	17
Mr. Akhil Mahajan	E-NI	Member	16
Mr. Arvind Mahajan	E	Member	12
Mrs. Rashmi Mahajan	E	Member	14

(6) Code of conduct

The Board of Directors has laid down a Code of Conduct for all the Board members and senior management personnel of the company which is widely circulated amongst members of the Board and senior management personnel. The members of the Board and senior management personnel have affirmed compliance of the said code of conduct. A declaration signed by the chairman is attached herewith.

(7) Management Discussion & Analysis Report

The Management Discussion & Analysis Report (MD & A) forms part of the Annual Report.

(8) General Body Meetings :

(a) The last three Annual General Meetings were held as under:-

Year	Location	Time	Date
2007-08	Hotel Parbhat Inn, Sector 10, Panchkula, Haryana.	10.00 a.m.	30.09.2008
2008-09	Hotel Parbhat Inn, Sector 10, Panchkula, Haryana.	10.00 a.m.	30.09.2009
2009-10	Hotel Parbhat Inn, Sector 10, Panchkula, Haryana.	10.00 a.m.	30.09.2010

(b) There was no special resolution required to be approved by way of postal ballot in respect of any subject placed before the shareholders in the last Annual General Meeting. All the resolutions passed in the General Meeting were passed through show of hands.