

Fifteenth Annual Report 1997-98

MD	✓			BKC	✓
CS	NP			DPY	NP
RO	✓			DIV	✓
TRA	NA			AC	✓
AGM	✓	✓		SHI	✓
YE	✓	✓	✓		

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UNIPRODUCTS (INDIA) LTD.





BOARD OF DIRECTORS

RAVI MEHRA - Chairman
ASHWAN KAPUR Ph.D - Managing Director
CHAND KISHAN HAZARI
GOVIND NARAIN
BHASKAR DUTTA Ph.D

PRESIDENT

ARUN SETH

AUDITORS

S N DHAWAN & CO.
CHARTERED ACCOUNTANTS
NEW DELHI

TECHNICAL COLLABORATORS

UNIPRODUCTS CANADA INC.
1198, MOUNTAIN STREET
MONTREAL, QUEBEC H3G 1Z1
CANADA

BANKERS

ANZ GRINDLAYS BANK

HEAD OFFICE

21, COMMUNITY CENTRE
FRIENDS COLONY
NEW DELHI 110 065

REGISTERED OFFICE & WORKS

JARTHAL VILLAGE ROAD
84 KM. STONE, DELHI-JAIPUR ROAD
P.O.SANGWARI, DISTT. REWARI
HARYANA 123 401

NOTICE

Notice is hereby given that the 15th Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at Jarthal Village Road, 84 Km. stone, Delhi-Jaipur Road, P.O. Sangwari, Distt. Rewari, Haryana 123 401, on Friday, 28th August, 1998 at 11.30 A.M. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended March 31, 1998 and the report of the Auditors and Directors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Dr.Bhaskar Dutta who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr.C.K.Hazari who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

Registered Office
Jarthal Village Road,
84 Km.Stone, Delhi-Jaipur Road,
P.O. Sangwari, Distt. Rewari,
Haryana 123 401.

Dated : 10th July, 1998

By order of the Board

Dr. ASHWAN KAPUR
Managing Director

NOTE

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll in the meeting in his stead. The proxy need not be a member.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday 24th August 1998 to Friday 28th August 1998, both days inclusive.
3. Members attending the Annual General Meeting are requested to bring along with them their copies of the Annual Report as the same will not be distributed at the meeting.
4. For prompt attention, please address all correspondence relating to the securities held in the Company to the Company's Head Office at 21, Community Centre, Friends Colony, New Delhi -110 065, quoting the relevant FolioNo.(s).
5. Shareholders who wish to raise any queries/comments on the accounts of the Company are requested to send their queries/comments at least 7 days before the date of the Annual General Meeting.
6. Dividend recommended by the Board of Directors, if approved by the Members at the Annual General Meeting, will be paid to those Members whose names appear on the Register of Members as on 28th August, 1998.
7. Members who have not encashed their dividend warrants for the Financial year ended 31.03.96 and 31.03.97 are requested to approach the company's Head Office for obtaining duplicate dividend warrants.
8. Members are requested to inform the Company their Income Tax Permanent Account Number (PAN)/ General Index Register Number (GIR No.) if any, allotted to them by the Income Tax Authorities and the designation, district circle and the address of the Income Tax Authority by whom their income is assessed or assessable.
9. Members are requested to intimate their Bank Account details, if not already sent, so that the same can be printed on the dividend warrant, to avoid the incidence of fraudulent encashment of dividend warrant.

Registered Office :
Jarthal Village Road,
84 Km.Stone, Delhi-Jaipur Road,
P.O. Sangwari, Distt. Rewari
Haryana 123 401.

By order of the Board

Dr. ASHWAN KAPUR
Managing Director

Dated : 10th July, 1998

AUDITORS' REPORT

To the Members of

UNIPRODUCTS (INDIA) LIMITED

We have audited the attached Balance Sheet of Uniproducts(India) Limited as at 31st March, 1998 and the annexed Profit & Loss Account of the Company for the year ended on that date and report that:

1. As required by the Manufacturing & Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above,
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose 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 the examination of the books.
 - c) The Balance Sheet and Profit & Loss Account dealt with by the report are in agreement with the books of account.
 - d) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - (i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 1998 and
 - (ii) in the case of Profit & Loss Account, of the Profit for the year ended on that date.

C-37, Connaught Place
New Delhi- 110 001.

For **S.N.DHAWAN & COMPANY**
Chartered Accountants

VIJAY DHAWAN
Partner

Dated : 10th July, 1998

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE REPORT OF EVEN DATE ON THE ACCOUNTS OF UNIPRODUCTS (INDIA) LIMITED FOR THE YEAR ENDED 31ST MARCH, 1998

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. As explained to us, physical verification of fixed assets is being conducted in a phased manner by the management under a programme designed to cover all the fixed assets over a period of three years which, in our opinion, is reasonable with regard to the size of the Company and the nature of the assets. No discrepancy was noticed between the book records and physical inventory carried out by the Management. However, during the year no physical verification of fixed assets was conducted.
2. None of the fixed assets have been revalued during the year.
3. As explained to us, stocks of finished goods, stores, spares and raw materials have been physically verified by the management at the end of the year, except for stocks of finished goods lying with consignee agents for which certificate of stocks held by them have been obtained in most of the cases.
4. In our opinion, and according to the information and explanations given to us, the procedures for physical verification of stocks followed by the Company are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. No material discrepancies have been noticed on physical verification of stocks as compared to the book records.

6. In our opinion, and on the basis of our examination, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. The Company has taken an interest free unsecured loan from a Company under the same management as defined under Section 370 (1B) of the Companies Act, 1956 and in our opinion, the terms and conditions of such loan are prima facie not prejudicial to the interest of the Company.
8. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or to Companies under the same management as defined under Section 370 (1B) of the Companies Act, 1956.
9. The Company has given loans to employees and they are repaying the principal amount as stipulated.
10. 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 for the purchase of the stores, raw materials including components, plant and machinery, equipment and other assets, and for the sale of goods.
11. According to the information and explanations given to us, the Company has not entered into transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000/- or more in respect of each party.
12. The Company has a system of determining unserviceable or damaged stores and raw materials or finished goods on the basis of technical evaluation and on such basis, in our opinion, adequate provision for the loss has been made in the accounts.
13. According to the information and explanations given to us, the Company has not accepted any deposit from the public.
14. In our opinion, reasonable records have been maintained for the sale and disposal of the scrap. No by product, we are informed, is generated.
15. The Company has an internal audit system commensurate with its size and nature of its business.
16. The maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 has not been prescribed by the Central Government.
17. The Company is regular in depositing Provident Fund and Employees State Insurance dues with the appropriate authorities.
18. There are no undisputed amounts payable in respect of income tax, wealth tax, custom duty and excise duty which are outstanding as at March 31, 1998 for a period of more than six months from the date they became payable.
19. According to the information and explanations given to us, no personal expenses have been charged to the Profit & Loss Account other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. The Company is not a Sick Industrial Company within the meaning of clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provision) Act, 1985.

C-37, Connaught Place
New Delhi- 110 001.

For **S.N.DHAWAN & COMPANY**
Chartered Accountants

Dated : 10th July, 1998

VIJAY DHAWAN
Partner

DIRECTORS REPORT

To The Members

The Directors have pleasure in presenting their Fifteenth Annual Report and Audited Accounts of your Company for the year ended March 31, 1998.

FINANCIAL RESULTS :

	Year ended March 31, 1998 (Rs. in lacs)	Year ended March 31, 1997 (Rs. in lacs)
Sales and Other Income	1982.25	2114.82
Gross Profit before Interest, Depreciation and Miscellaneous Expenditure written off	319.49	382.72
Less : Interest	124.54	100.26
Depreciation	98.69	88.00
Miscellaneous Expenditure written off	0.51	1.85
Profit for the year	95.75	192.61
Prior period Income/(Expenditure) adjustment	(11.48)	2.19
Profit before tax	84.27	194.80
Less : Provision for tax	8.85	25.13
Profit after tax	75.42	169.68
Profit brought forward	343.16	265.56
Profit available for appropriation	418.58	435.24
Investment Allowance Reserve	—	41.91
General Reserve	1.89	8.48
Proposed Dividend	31.58	37.90
Corporate Dividend Tax	3.16	3.79
Balance carried to the Balance Sheet	381.95	343.16

OPERATIONS

The performance of your Company during the year under review was adversely affected by the accentuated sluggishness in the economy. The recovery anticipated in the second half of the year did not take place; infact, the recession worsened. Although the liquidity conditions eased, credit growth continued to be low because of weak demand by industry and a cautious approach to lending adopted by bankers. Industrial growth, as a consequence, declined substantially over the previous year.

On account of declining demand levels, competitive conditions increased considerably in the market place for both our traditional product lines viz., wall to wall carpets and interlinings. This was further compounded by the emergence of several new manufacturing units in these product categories, largely in the unorganized sector. These units, with the intent of garnering satisfactory market shares, have introduced their products at low prices. Your Company, in order to protect its own market share, has also developed and launched new products to meet these changing market requirements.

Demand for automobiles during the year fell far short of projections made by auto manufacturers, resulting in lower demand for moulded carpets on us. However the market share of your Company in this segment was further strengthened through supply of moulded carpets to new entrants in the automobile sector viz Honda Siel, General Motors and Mahindra Ford. We continue to be a dominant supplier of Moulded carpets to Maruti Udyog Limited.

Import, installation and commissioning of the thermobond line was completed in March '98 and market development efforts are being vigorously pursued to promote the sale of thermobond products.

FUTURE PROSPECTS

Although the recent developments on the political and economic scenes do not offer much encouragement for any immediate revival in the economy, your company is confident of an improved offtake of moulded carpets and thermobond products due to an increased customer base. As regards wall-to-wall carpets and interlinings, the focus will be on aggressive marketing methods to retain our market shares, and on cost reductions and improvements in efficiency, wherever possible.