

Nineteenth Annual Report 2001 - 2002





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UNIPRODUCTS (INDIA) LTD.

8, Balaji Estate, Guru Ravidas Marg, Kalkaji, New Delhi-110 019

Tel. : 6002752/53/54/55/56 • Fax : 011-6002751

Website : www.unitexindia.com

**BOARD OF DIRECTORS****Chairman**

Ravi Mehra

Managing Director

Ashwan Kapur Ph. D.

Directors

Chand Kishan Hazari F.C.A.

Govind Narain I.C.S. (Retd.)

Bhaskar Dutta Ph.D.

M.M. Kohli

S. L. Kapur I.A.S. (Retd.)

AUDITORS

S. N. Dhawan & Co.

Chartered Accountants

C-37, Connaught Place

New Delhi - 110 001

President

Arun Seth

Company Secretary

Abha Atri

BANKERS

Punjab National Bank

HEAD OFFICE/SHARE DEPARTMENT

8, Balaji Estate

Guru Ravidas Marg, Kalkaji

New Delhi - 110 019

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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 19th 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 Wednesday, the 25th September, 2002 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. 2002 and the report of the Auditors and Directors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr Ravi Mehra 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 to hold office from the conclusion of this Annual General Meeting upto the conclusion of next 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 supersession of Resolution No. 6 passed at the Thirteenth Annual General Meeting of the Company held on 26th September, 1996 and pursuant to the provisions of section 293(1)(d) of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing, from time to time, any sums of monies which, together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of Rs. 20 crores (rupees twenty crores)."

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

"RESOLVED that the Authorised Capital of the Company be increased from Rs. 4,50,00,000 divided into 45,00,000 equity shares of Rs. 10 each to Rs. 6,00,00,000 divided into 60,00,000 equity shares of Rs. 10/- (rupees ten) each by creation of 15,00,000 equity shares of Rs. 10/- each ranking pari passu with the existing shares."

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

"RESOLVED that the Memorandum of Association of the Company be altered in the following manner :

The existing clause V of Memorandum of Association be substituted by the following :

The Authorised Share Capital of the Company is Rs. 6,00,00,000/- (rupees six crores only) divided into 60,00,000 (sixty lac) equity shares of Rs. 10/- (rupees ten) each."

9. To consider and, if thought fit, to pass, with or without modification, the following resolution as a SPECIAL RESOLUTION :



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"RESOLVED that the Articles of Association of the Company be altered pursuant to Section 31 of the Companies Act, 1956 in the following manner :

The existing Article 5 be substituted by the following :

The Authorised Share Capital of the Company is Rs. 6,00,00,000/- (rupees six crores only) divided into 60,00,000 (sixty lac) equity shares of Rs. 10/- (rupees ten) each."

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

By order of the Board

Dr. ASHWAN KAPUR
Managing Director

Date : 30th July, 2002

NOTES

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed herewith.
2. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll at the meeting in his stead. The proxy need not be a member.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, September 02, 2002 to Wednesday, September 04, 2002 (both days inclusive).
4. 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.
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 September 04, 2002.
7. No Income Tax will be deducted at source in case of resident individual, if the amount of such dividend does not exceed Rs. 2500/-. Members desirous of filing income tax exemption certificate issued by Income Tax Officer or Form 15G prescribed under the Income Tax Act, 1961 are requested to forward the same so as to reach the Company's Head Office before 20th September, 2002.
8. Members are requested to inform the Company of 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 the dividend warrant.
10. Members are requested to notify change in their address immediately to the Company at its Head Office, if shares are held in physical form.
11. The shares of the Company are listed on the following Stock Exchanges and the listing fee to these Stock Exchanges has been paid in time.

(1) The Delhi Stock Exchange Association Limited
Asaf Ali Road
New Delhi - 110 002; and

(2) The Stock Exchange, Mumbai
Phiroze Jee Jeebhoy Towers
Dalal Street, Mumbai - 400 001.

(3)

**EXPLANATORY STATEMENT (Pursuant to Section 173(2) of the Companies Act, 1956)****Item No. 6**

At the Thirteenth Annual General Meeting of the Company held on 26th September, 1996 the shareholders had authorised the Directors of the Company to borrow monies not exceeding in the aggregate Rs. 15 crores (rupees fifteen crores). To meet its capital investment requirements, it may be necessary for the Company to obtain additional borrowings. Shareholders approval is, therefore, being sought pursuant to section 293(1)(d) of the Companies Act, 1956, to increase the borrowing limit to Rs. 20 crores (rupees twenty crores).

The Directors commend the Resolution for approval of the shareholders.

None of the Directors of the Company is interested in the said resolution.

Items 7, 8 and 9

It is considered necessary to increase the Authorised Capital of the Company from Rs. 4,50,00,000 to Rs. 6,00,00,000 for expansion of business. For the proposed increase in capital, it is necessary to alter Clause V of the Memorandum of Association and Article 5 of the Articles of Association of the Company. Resolutions under items 7 to 9 are for this purpose.

The Directors commend the Resolutions for approval of the shareholders.

None of the Directors of the Company is interested in the said resolutions.

A copy of the Memorandum and Articles of Association of the Company, together with the proposed changes, is available for inspection at the Registered Office of the Company between 10.00 a.m. and 2.00 p.m. on any working day of the Company.

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

By order of the Board

Dr. ASHWAN KAPUR
Managing Director

Date : 30th July, 2002





UNIPRODUCTS (INDIA) LTD.

AUDITORS' REPORT

To The Members of
UNIPRODUCTS (INDIA) LIMITED

We have audited the attached Balance Sheet of Uniproducts (India) Limited as at March 31, 2002 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

- I. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- II. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India, 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.
- III. Further to our comments in the Annexure referred to above, we report that :
 - (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 our examination of these books.
 - (c) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet and the Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the Directors, as on March 31, 2002 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2002, from being appointed as Director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
 - (f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, 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 in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2002 and
 - (ii) in the case of the Profit & Loss Account, of the Profit for the year ended on that date.

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

Place : New Delhi
Date : 30th July, 2002

SURESH SETH
Partner

ANNEXURE REFERRED TO IN PARAGRAPH II OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF UNIPRODUCTS (INDIA) LIMITED FOR THE YEAR ENDED MARCH 31, 2002.

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 having regard to the size of the Company and the nature of its assets. Discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
2. None of the fixed assets have been revalued during the year.
3. As explained to us, the stocks of finished goods and raw materials have been physically verified by the management at reasonable intervals, except for stocks lying with third parties for which certificates of stocks held by them have been obtained in most of the cases.



UNIPRODUCTS (INDIA) LTD.

4. In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on verification between physical stocks and book records were not material and the same have been properly dealt with in the books of account.
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. The valuation of stocks is on the same basis as in the preceding year.
7. According to the information and explanations given to us, 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 and/or from the companies under same management as defined under section 370(1-B) of the Companies Act, 1956.
8. According to the information and explanations given to us, 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 and/or to the companies under same management as defined under section 370(1-B) of the Companies Act, 1956.
9. In respect of loans and advances in the nature of loans given by the Company to employees, recovery of principal and interest, wherever applicable, has been 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, with regard to purchase of stores, raw materials, plant and machinery, equipment and other assets, and for the sale of goods.
11. According to the information and explanations given to us, there are no transactions of purchase of goods and materials and sale of goods, materials and services aggregating during the year to Rs. 50,000/- or more in respect of each party made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956.
12. As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods on the basis of technical evaluation. Adequate provision has been made in the accounts for loss arising on items so determined.
13. According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the provisions of Section 58A of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 apply.
14. In our opinion, reasonable records have been maintained for the sale and disposal of the scrap. We are informed that no realisable by-products are generated.
15. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
16. The maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 for the products manufactured by the Company.
17. According to the records of the Company, Provident Fund and Employees State Insurance dues have generally been regularly deposited with the appropriate authorities.
18. According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty outstanding for a period of more than six months as at March 31, 2002 from the date they became payable.
19. According to the information and explanations given to us and the records examined by us, no personal expenses have been charged to the Profit and Loss Account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. In our opinion, 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 Provisions) Act, 1985.
21. In respect of trading activities, the Company has a system of determination during verification, of damaged goods and for provision for loss on the same. However, there were no damaged goods during the year.

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

Place : New Delhi
Date : 30th July, 2002

SURESH SETH
Partner



DIRECTORS REPORT

To The Members

The Directors have pleasure in presenting their Nineteenth Annual Report and Audited Accounts of your Company for the year ended March 31, 2002.

FINANCIAL RESULTS :

Particulars	Year ended March 31, 2002 (Rs. in lacs)	Year ended March 31, 2001 (Rs. in lacs)
Sales and Other Income	3589.23	3031.80
Gross Profit before Interest, Depreciation and Miscellaneous Expenditure written off	595.61	486.43
Less : Interest	117.47	133.94
Depreciation	162.47	194.24
Miscellaneous Expenditure written off	0.51	0.51
Profit for the year	315.16	156.74
Prior period Income/(Expenditure) adjustment	(0.64)	(0.85)
Profit before tax	314.52	155.89
Less : Provision for current tax	31.28	16.17
Deferred tax for the year	39.27	-
Profit after tax	243.97	139.72
Surplus brought forward	509.56	
Less : Deferred tax for earlier years	<u>277.17</u>	423.00
Profit available for appropriation	476.36	562.72
General Reserve	18.30	3.49
Proposed Dividend	62.18	45.07
Corporate Dividend Tax	-	4.60
Balance carried to the Balance Sheet	395.88	509.56

OPERATIONS

The year under review saw a significant increase in both sales and profits over the previous year, this inspite of the fact that overall economic recovery continued to be slow and elusive. Sales registered an 18% growth and profit for the year more than doubled over the previous year to Rs. 315.16 lacs.

Our thrust in recent years to focus on the automotive sector through enlargement of our customer base and diversification of our product range continues to contribute significantly to your company's growth. It is a matter of satisfaction that we now supply well over a hundred components of moulded carpets, trims, NVH parts, heatshields and roof lining material to virtually every car manufacturer in the country. We have also received approved vendor status for supply of such parts to most new motor car models to be launched in the near future.

Your company's range of other products viz. wall-to-wall carpets, interlinings and cover stocks continue to battle against small scale manufacturers and against low priced imports. However, a recent detailed study has identified sales strategies and cost control measures that will enable growth in sales and contribution of these products. Sales volumes of loop pile carpets imported and marketed by us continue to grow.