

Twentieth Annual Report 2002-2003

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UNIPRODUCTS (INDIA) LTD.



UNIPRODUCTS (INDIA) LTD.**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

Bankers

Punjab National Bank

UTI Bank

Company Secretary

Abha Atri

Head Office

Khasra No. 360-361,

Village Jonapur, Mehrauli,

New Delhi-110 047

Registered Office & Plant I

Jarthal Village Road,

84 Km. Stone, Delhi-Jaipur Road,

P.O. Sangwari, Distt. Rewari

Haryana - 123407

Admn. Office & Plant II

C-14 & 15, Sector-57,

Noida Industrial Area,

Noida - 201 307 (U.P.)

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NOTICE

Notice is hereby given that the 20th 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 Tuesday, the 30th September, 2003 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, 2003 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. M. M. Kohli 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 a SPECIAL RESOLUTION:

"RESOLVED that, subject to the provisions of section 198, 269, 309, 311 read with Schedule XII and other applicable provisions, if any, of the Companies Act, 1956 the approval of the Members is hereby accorded to the re-appointment of Dr. Ashwan Kapur as Managing Director for a period of three years with effect from 1st August, 2003 on the following terms and conditions.

1. SALARY : Rs.95,000/- per month
2. COMMISSION : 1% (one percent) of the net profits of the Company for each financial year (as computed in the manner laid down in sections 349 and 350 of the Companies Act, 1956).
3. PERQUISITES : In addition to the above salary and commission, the Managing Director shall be entitled to the following perquisites which shall be restricted to an amount equal to the annual salary.

CATEGORY A:

i) RESIDENTIAL ACCOMMODATION :

- (a) Housing I: In case the accommodation is owned by the Company, 10% of the salary of the Managing Director shall be deducted by the Company.

or

- (b) Housing II: In case no accommodation is provided by the Company, the Managing Director shall be entitled to 60% of basic salary as House Rent Allowance.

The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per Income Tax Rules, 1962, subject to a ceiling of 10% of the salary.

- ii) **MEDICAL REIMBURSEMENT** : Reimbursement of medical expenses incurred by the Managing Director and his family will be subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- iii) **LEAVE TRAVEL CONCESSION** : For the Managing Director and his family, once in a year incurred in accordance with rules specified by the Company.
- iv) **CLUB FEES** : Fees of the Clubs will be subject to a maximum of two Clubs. These will not include admission and life membership fees.

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- v) **PERSONAL ACCIDENT INSURANCE** : Premium not to exceed Rs.10,000/- per annum.

EXPLANATION : For the purpose of Category A, 'family' means the spouse, the dependent children and dependent parents of the Managing Director.

CATEGORY B :

- i) **CONTRIBUTION TO PROVIDENT AND SUPERANNUATION FUNDS** : Company's contribution towards Provident Fund, Superannuation Fund or annuity fund will be as per rules of the Company and will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act.
- ii) **GRATUITY** : Not exceeding one half month's salary for each completed year of service.
- iii) **LEAVE** : One month's leave with full salary for every 11 months of service. Encashment of leave at the end of the tenure will not be included in the computation of perquisites."

CATEGORY C :

- i) **CAR** : Facility of car with driver.
- ii) **TELEPHONE** : Free telephone facility at residence.
- For use on Company's business, this will not be treated as a perquisite.
 - Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.
- iii) **ELECTRICITY** : Reimbursement of electricity bills."

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

"Resolved that the Articles of Association of the Company be altered pursuant to section 31 and other applicable provisions of the Companies Act, 1956 in the following manner :

Article 68 A be inserted after Article 68

Passing of resolution by postal ballot.

The Company can, in accordance with the provisions of Companies Act, 1956, SEBI guidelines, Listing Agreement or any other statutes, rules and guidelines as may be applicable to the Company from time to time, pass resolutions by means of a postal ballot and/or other ways as may be prescribed by the Central Government in this behalf instead of transacting the business in the General Meeting of the Company."

8. 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 Nineteenth Annual General Meeting of the Company held on September 25, 2002 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 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.30 crores (rupees thirty crores)."

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

Date : 29th August, 2003



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 in the meeting in his stead. The proxy need not be a member. The proxy form should be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed on Friday, September 26, 2003.
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 atleast 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 26, 2003.
7. 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. Shareholders who wish to avail Electronic Clearing Service (ECS) facility, may authorise the Company with their ECS mandate containing bank details alongwith the 9 digit code. Requests should be lodged with our Registrar & Transfer Agent, M/s MAS Services Pvt. Ltd. AB-4, Safdarjung Enclave, New Delhi-110029, on or before 20th September 2003.
8. Members are also requested to notify any changes in their addresses immediately to the Registrar & Share Transfer Agent - MAS Services Pvt. Ltd.
9. In terms of section 205C of the Companies Act, 1956 the unclaimed dividend for the financial year 1995-96 (which has remained unclaimed for a period of seven years from 14th October 1996) will become due for transfer to Investor Education and Protection Fund in the month of October, 2003. Those shareholders who have not encashed the dividend warrant for the financial year 1995-96 are, therefore, requested to immediately forward the same to the Company for revalidation. It may also be noted that once unclaimed dividend is transferred to the Fund, no claim shall lie against the Fund or the Company in respect of the individual amounts which were unclaimed or unpaid.
10. The shares of the Company are listed on the following Stock Exchanges. The listing fee for these Stock Exchanges have been paid in time.
 - (1) The Delhi Stock Exchange Association Limited
Asaf Ali Road, New Delhi - 110 002
 - (2) The Stock Exchange, Mumbai
Phiroze Jee Jeebhoy Towers Dalal Street, Mumbai - 400 001.
11. At the ensuing Annual General Meeting, Dr. Bhaskar Dutta and Mr. M.M. Kohli retire by rotation and, being eligible, offer themselves for re-appointment. The information / details pertaining to these Directors to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges are furnished in the statement on Corporate Governance published in this Annual Report.

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

At the Board Meeting held on August 29, 2003, Dr. Ashwan Kapur was re-appointed as Managing Director of the

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Company for a period of three years w.e.f. August 01, 2003. Brief resume of Dr.Kapur and nature of his expertise, is given in the section on Corporate Governance. The details of remuneration and perquisites proposed to be paid by the Company from August 01, 2003 have been given in the text of the Resolution. These may also be treated as an abstract of the terms and memorandum of interest under section 302 of the Companies Act, 1956.

The Remuneration Committee of the Board of Directors has recommended the same remuneration as was previously approved by the shareholders.

No Director other than Dr. Ashwan Kapur is interested in the resolution.

The Directors commend the Resolution for approval of the shareholders.

The Board, however, shall be at liberty to agree to such modifications of the terms and conditions stated above and as may be acceptable to both the Board and Dr. Ashwan Kapur, within the limitations in that behalf as contained in Schedule XIII of the said Act, or any amendments thereto, or otherwise as may be permissible by law.

Item No. 7

As per section 192A of the Companies Act, 1956 a listed public company may, and in the case of resolutions relating to such business as the Central Government may, by notification, declare to be conducted only by postal ballot, shall, get any resolutions passed by means of a postal ballot, instead of transacting the business in general meeting of the company. In order to comply with section 192A of the Companies Act, 1956 the Board of Directors in its meeting held on 29th August, 2003 recommended insertion of new article in the Articles of Association of the Company. Hence, the resolution is being put up for members approval.

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

The Directors commend the Resolution for approval of the shareholders.

Item No. 8

At the Nineteenth Annual General Meeting of the Company held on 25th September, 2002 the shareholders had authorised the Directors of the Company to borrow monies not exceeding in the aggregate Rs.20 crores (rupees twenty crores). To meet its capital investments, it may be necessary for the Company to obtain additional borrowings. Shareholders approval is being sought pursuant to section 293(1)(d) of the Companies Act, 1956, to increase the borrowing limit to Rs.30 crores (rupees thirty crores only).

The Directors commend the Resolution for approval of the shareholders.

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

Registered Office :

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Haryana 123 401.

By order of the Board

Dr. ASHWAN KAPUR
Managing Director

Date : 29th August, 2003

REPORT ON CORPORATE GOVERNANCE

1. OVERVIEW

Uniproducts (India) Limited is committed to a long term partnership with investors through transparency and fairness in its dealings and placing uncompromising emphasis on integrity and regulatory compliance. The basic philosophy of the Company's code of Corporate Governance is to strengthen investor trust and enhance long term value for shareholders while respecting the needs and interests of multiple stakeholders.

2. BOARD OF DIRECTORS

Composition of Board

The Board consists of seven Directors. The need for having a majority of Non-Executive Directors on the Board is well recognised. Uniproducts (India) Ltd. Board meets this requirement as it consists of six Non-Executive Directors, who account for 85% of the Board. Moreover, five of the Non-Executive Directors are Independent (i.e. they have no business relationship with the Company)

Composition, Category, Attendance at the Board Meeting and the last Annual General Meeting (AGM):

Directors	Category	No. of Board Meetings during the year		Attended last AGM
		Held	Attended	
Mr. Ravi Mehra (Chairman)	Promoter & Non-Executive	08	02	Yes
Dr. Ashwan Kapur (M.D)	Promoter & Executive	08	08	Yes
Mr. C.K. Hazari	Non-Executive/Independent	08	07	Yes
Mr. Govind Narain	Non-Executive/Independent	08	08	Yes
Dr. Bhaskar Dutta	Non-Executive/Independent	08	08	Yes
Mr. M.M. Kohli	Non-Executive/Independent	08	05	Yes
Mr. S.L. Kapur	Non-Executive/Independent	08	08	Yes

Details of Directorships held in other companies by Directors:

Directors	No. of Outside Directorships held [other than Uniproducts (India) Ltd.]		Committee Membership	Committee Chairmanship
Mr. Ravi Mehra (Chairman)	2	(both foreign companies)	Nil	Nil
Dr. Ashwan Kapur (M.D)	4	(all private companies)	Nil	Nil
Mr. C.K. Hazari	9	(includes 3 private companies)	3	3
Mr. Govind Narain	2	(both public limited companies)	Nil	Nil
Dr. Bhaskar Dutta	Nil		Nil	Nil
Mr. M.M. Kohli	3	(all private companies)	Nil	Nil
Mr. S.L. Kapur	10	(includes 3 private companies)	1	Nil

Details of Directors seeking appointment / reappointment as required under Clause 49VI(A) of the Listing Agreement with the Stock Exchanges:

Dr. Bhaskar Dutta

Age : 68 years
Qualification : Ph.D (Leeds)
Experience : 42 years

He joined the faculty of the Indian Institute of Technology, Delhi in 1961 as a lecturer. He was seconded for the doctoral programme at the University of Leeds, UK for doing Ph.D by research under the Colombo Plan and was awarded the degree in 1970 in Textile Engineering. Dr. Dutta retired as Professor in Textile Engineering from IIT in 1995 and had occasion to serve as the Head of the Department also. During his tenure at the IIT, he published over 35 papers in national and international journals. He also guided the research of many M.Tech and Ph.D

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students. Of the seminars and conferences organised and convened by him, the most noteworthy was the "International Conference on Nonwovens" - a three day conference held in New Delhi in 1992.

He continues (as of the last 15 years) to be a member of the selection board for the selection and promotion of textile scientists in the Defence Research and Development Organisation. As Coordinator of the Centre for Industrial Design at the IIT, he was instrumental in getting a new course - M Des -started.

Dr. Dutta has served on the Company's board since 1988.

Mr. M. M. Kohli

Age : 63 years
Qualification : Mechanical Engineering (ETH)
Experience : 37 years

Mr. M.M. Kohli is a whole time Director of the company "The Printers House Pvt. Ltd." since 1966. The Printers House are manufacturers and exporters of web offset printing machines. Mr.Kohli has considerable experience in Manufacturing, Sales & Marketing and Industrial Relations.

Mr. Kohli has served on the Company's board since 1998.

Details of Directorships in other companies:

Name of the Company	Nature of Interest
The Printers House Pvt. Ltd.	Director
Jey Kay (P) Ltd.	Director
Travancore Management Resources Pvt. Ltd.	Director

DR. ASHWAN KAPUR

Age : 48 years
Qualification : Ph.D (Leeds)
Experience : 19 years

Dr. Kapur, after receiving his Doctorate in Textile Engineering from University of Leeds, returned to India where he jointly promoted Uniproducts (India) Limited and pioneered the setting up of the first fully integrated nonwoven plant to manufacture a wide range of needle-punched and dry-laid consumer durables and industrial products. One of Dr.Kapur's notable achievements has been the development of needle-punched jute carpets which are both durable and aesthetically attractive and jute based NVH components used in cars, for which he has received appreciation from Ministry of Textiles, UNDP & the automobile industry. Dr.Kapur has presented several technical papers in both national and international seminars on various aspects of nonwoven technology and has also served on the Advisory Committee of the Textile Department of the Indian Institute of Technology, New Delhi. He also acts as an external examiner of M.Tech. and Ph.D at the IIT, Delhi and Mumbai University.

Dr. Ashwan Kapur was honoured by The Textile Institute, Manchester, with the Fellowship of the Institute in 1992 at the age of 35. Only a few Fellowship awards are given out each year. Dr. Kapur also holds the distinction of being one of the youngest to receive this honour.

Details of Directorships in other companies:

Name of the Company	Nature of Interest
Unicel Impex Pvt. Ltd.	Director
Metore Mining Pvt. Ltd.	Director
Samarth Realtors Pvt. Ltd.	Director
SKM Associates Pvt. Ltd.	Director



3. REMUNERATION OF DIRECTORS

Remuneration of Executive Directors

The detail of remuneration paid to the Executive Directors for the financial year 2002-2003 is as follows:

Name of Director	Sitting Fees (Rs.)	Salary & Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
Dr. Ashwan Kapur	Nil	20,96,831.00	2,68,605.00	23,65,436.00

Remuneration of Non-Executive Directors

The detail of remuneration paid to the Non-Executive Directors for the financial year 2002-2003 is as follows:

Name of Directors	Sitting Fee + Incidental Exp. (in Rs.)	
	Board Meeting	Audit Committee Meeting
Mr.Ravi Mehra	Nil	Not a member
Mr.C.K.Hazari	24,500.00	10,000.00
Mr.Govind Narain	29,500.00	10,000.00
Dr.Bhaskar Dutta	29,500.00	Not a member
Mr.M.M.Kohli	14,500.00	Not a member
Mr.S.L.Kapur	29,500.00	10,000.00

4. AUDIT COMMITTEE

The Board of Directors of the Company has constituted an Audit Committee on 30th July, 2002. The Audit Committee is constituted of three Independent & Non-Executive Directors. The constitution of the Audit Committee also meets with the requirement of Section 292A of the Companies Act, 1956. The terms of reference stipulated by the Board to the Audit Committee are as contained under Clause 49 of the Listing Agreement.

Composition and attendance details of each member at the Audit Committee meeting:

Name of Directors	Category	Position Held	No. of Committee Meeting	
			Held	Attended
Mr.Govind Narain	Non-Executive & Independent	Chairman	02	02
Mr.C.K.Harari	Non-Executive & Independent	Member	02	02
Mr.S.L.Kapur	Non-Executive & Independent	Member	02	02

5. SHARE TRANSFER AND SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Board of Directors of the Company has constituted a Share Transfer and Shareholders/Investors Grievance Committee on 30th July, 2002.

Composition and attendance details of each member at the Share Transfer and Shareholders/ Investors Grievance Committee meeting:

Name of Directors	Category	Position Held	No. of Committee Meeting	
			Held	Attended
Mr. C.K. Harari	Non-Executive & Independent	Chairman	18	16
Dr. Ashwan Kapur	Executive	Member	18	18
Mr. S.L. Kapur	Non-Executive & Independent	Member	18	18

The Board has designated Ms.Abha Atri, Company Secretary, as Compliance Officer. The Committee approves and monitors transfers, transmissions, issue of duplicate certificates, splits, consolidation of shares and allied matters and also investigates and directs redressal of shareholders' grievances. The Committee meets regularly and requests for transfer/ transmission received are processed within 15 days from the date of receipt. The

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Company has attended to most of the investors' grievances/ correspondence within a period of ten days from the date of receipt of the same, except in cases which are constrained by disputes or legal impediments. The Committee oversees the performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services. There were no valid transfers or shareholders/investors complaints pending as on March 31, 2003.

6. REMUNERATION COMMITTEE

The Board of Directors of the Company has constituted a Remuneration Committee on 31st July, 2003. The Remuneration Committee is constituted of three independent and non-executive directors viz. Mr. Govind Narain, Mr. C.K. Hazari and Mr. S.L. Kapur.

7. GENERAL BODY MEETINGS

Annual General Body Meetings of past 3 years:

Year	Venue	Day	Date	Time
1999-2000	Registered Office Jarthal Village Road, 84 Km Stone, Delhi-Jaipur Road Distt. Rewari, Haryana – 120 401	Tuesday	September 26, 2000	11.30 A.M.
2000-2001	— Do —	Wednesday	September 26, 2001	11.30 A.M.
2001-2002	— Do —	Wednesday	September 25, 2002	11.30 A.M.

The Company has not passed any resolution at the last Annual General Meeting which was required to be put through postal ballot as per the provisions of the Companies Act, 1956 and rules framed thereunder. No special resolution is proposed to be conducted through postal ballot at this Annual General Meeting.

8. DISCLOSURES

- There are no materially significant related party transactions i.e. transactions of the Company of material nature with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.
- There were no strictures or penalties imposed on the Company by SEBI or any other statutory authority, on any matter related to capital markets, during last three years.

9. MEANS OF COMMUNICATION

Half-yearly report sent to each household of shareholders : No
 Quarterly results- which newspaper normally published : Danik Tribune, Asian Age
 Any website, where quarterly results are displayed : No
 Whether it also displays official news releases : No
 Whether Management Discussion & Analysis is a part of Annual Report : Yes
 Whether Shareholder Information section forms part of the Annual Report : Yes

10. GENERAL SHAREHOLDER INFORMATION

- Annual General Meeting** : 30th September, 2003, Tuesday
 Date, Time & Venue : 11.30 A.M at Registered Office
- Financial Calendar (Tentative)**
 - Financial reporting for the quarter ended on June 30, 2003 : Last week of July, 2003
 - Financial reporting for the quarter ending on Sept.30, 2003 : Last week of Oct., 2003
 - Financial reporting for the quarter ending on Dec.31, 2003 : Last week of Jan., 2004
 - Financial reporting for the year ending on March 31, 2004 : Last week of April, 2004
 - AGM for the year ending on March 31, 2003 : 30th, September 2003