

Twenty First Annual Report 2003-2004



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.)

A.P. Gandhi

(Additional Director)

Auditors

S. N. Dhawan & Co.

Chartered Accountants

C-37, Connaught Place

New Delhi - 110 001

Bankers

Punjab National Bank

UTI Bank

President

Arun Seth

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 - 123 401

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 21st 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 22nd September, 2004 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, 2004 and the report of the Auditors and Directors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. Govind Narain who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. S.L. Kapur 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 modifications, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED that Mr. A.P. Gandhi, who was appointed by the Board of Directors as an Additional Director on October 30, 2003 and who holds office upto the date of this Annual General Meeting under Section 260 of Companies Act, 1956 read with Article 89 of Article of Association, and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Mr. A.P. Gandhi for the office of Director under Section 257 of Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED that, subject to Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and/ or any other laws or regulations as may be applicable, and subject to approval of such authorities which may be necessary, approval of the members be and is hereby accorded to delisting of the Company's equity shares from Delhi Stock Exchange;

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things as may be necessary or expedient to give effect to the foregoing resolution."

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

"RESOLVED that in supersession of Resolution No. 8 passed at the Twentieth Annual General Meeting of the Company held on 30th September, 2003, 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.50 crores (Rupees fifty 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 : 27th July, 2004

UNIPRODUCTS (INDIA) LTD.**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 from Thursday, September 16, 2004 to Wednesday, September 22, 2004 (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 22, 2004.
7. Members are requested to intimate their Bank Account details so that the same can be printed on the dividend warrant to avoid the incidence of fraudulent encashment of the same. 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., on or before 15th September, 2004.
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 1996-97 (which has remained unclaimed for a period of seven years from 05th October 1997) will become due for transfer to Investor Education and Protection Fund in the month of October, 2004. Those shareholders who have not encashed their dividend warrant for the financial year 1996-97 are, therefore, requested to immediately forward the same to the Company for revalidation. It may also be noted that once the 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, Mr. Govind Narain and Mr. S.L. Kapur 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**

Mr. A.P. Gandhi, who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. October 30, 2003, vacates office at the forthcoming Annual General Meeting pursuant to Section 260 of the Companies Act, 1956.

Notice under Section 257 of the Companies Act, 1956 has been received from a Member of the Company signifying his intention to propose Mr. A.P. Gandhi as a candidate for the office of Director. Mr. A.P. Gandhi has filed his consent pursuant to Section 264(1) of the Companies Act, 1956 to act as a Director, if appointed.



Considering the experience and competence of Mr.A.P.Gandhi, the Board considers that it would be in the interest of the Company to appoint him as a Director of the Company.

The Directors commend the Resolution for approval of the shareholders.

No Director other than Mr.A.P.Gandhi is interested in the Resolution.

Item No. 7

Equity shares of your Company are listed on Delhi and Mumbai stock exchanges. There has been practically no trading of the Company's shares at Delhi Stock Exchange during the last few years. The payment of annual listing fee to Delhi Stock Exchange is an unnecessary burden on the Company without any corresponding benefit to the Company or its shareholders. Besides, Mumbai Stock Exchange is a screen based, on line trading stock exchange, and shareholders of the Company can trade in the Company's shares through out the country without any difficulty on the brokers terminal.

Your Directors, therefore, propose to seek delisting of the Company's shares from Delhi Stock Exchange. SEBI Delisting of Securities Guidelines require shareholders approval by passing a Special Resolution for delisting of the Company's shares. Hence the proposed resolution.

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 Twentieth Annual General Meeting of the Company held on 30th September, 2003 the shareholders had authorised the Directors of the Company to borrow monies not exceeding in the aggregate Rs.30 crores (rupees thirty 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.50 crores (rupees fifty crores).

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:

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 : 27th July, 2004

UNIPRODUCTS (INDIA) LTD.**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 stakeholders' 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 eight Directors. The need for having a majority of Non-Executive Directors on the Board is well recognised. This requirement is met by the Board of Uniproducts (India) Ltd as it consists of seven Non-Executive Directors. Moreover, six of the Non-Executive Directors are Independent (i.e., they have no business relationship with the Company)

Composition, Category, Attendance at Board Meetings 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	09	02	No
Dr.Ashwan Kapur (M.D)	Promoter & Executive	09	09	Yes
Mr.C.K.Hazari	Non-Executive/Independent	09	08	Yes
Mr.Govind Narain	Non-Executive/Independent	09	09	Yes
Dr.Bhaskar Dutta	Non-Executive/Independent	09	08	Yes
Mr.M.M.Kohli	Non-Executive/Independent	09	06	Yes
Mr.S.L.Kapur	Non-Executive/Independent	09	09	Yes
Mr. A.P. Gandhi *	Non-Executive/Independent	09	02	No

* Appointed as Additional Director on 30th October, 2003.

Nine Board Meetings were held during the year – on 29/04/2003, 30/05/2003, 31/07/2003, 11/08/2003, 29/08/2003, 30/09/2003, 30/10/2003, 30/01/2004 and 25/03/2004.

Details of Directorships (excluding Private Limited Companies, Foreign Companies and Alternate Directorships) and Board Committee Representations of Public Limited Companies held by Directors :

Directors	Other Directorships held	Committee Membership	Committee Chairmanship
Mr.C.K.Hazari	6	10	5
Mr.Govind Narain	2	Nil	Nil
Mr.S.L.Kapur	2	Nil	Nil
Mr. A.P. Gandhi	3	3	2

Details of Directors seeking appointment / reappointment as required under Clause 49 of the Listing Agreement with the Stock Exchanges:**Mr.Govind Narain**

Age : 87 years
Qualification : I.C.S. (Retd.)
Experience : 65 years

Mr. Govind-Narain joined the Indian Civil Service in 1939. In his illustrious career, he served as Chief Secretary to the Government of Uttar Pradesh, as Chairman & Managing Director of the State Trading Corporation of India and Minerals & Metals Trading Corporation of India and also served the Government of India as Home Secretary, Defence Secretary and Secretary, Department of Defence Production. After his retirement in 1975, he served as



a Member of the Andhra Pradesh Administrative Tribunal in Hyderabad and was subsequently appointed a Governor of Karnataka from 1977 to 1983.

Mr. Govind Narain is widely travelled and has several publications to his credit. He has also headed eminent institutes of learning as Chairman, Board of Governors, Institute of Management, Bangalore, Chairman, India Institute of Social and Economic Change, Bangalore, Member of the Executive Council of the Indian Institute of Public Administration, Patron of the Wild Life Association and many more such Institutions.

Mr. Govind Narain has served on the Company's Board since 1984.

Details of Directorships in other companies:

Name of the Company	Nature of Interest
M/s. Hotline Teletube Components Ltd	Director
M/s. Hotline Glass Ltd	Director

Mr. S.L. Kapur

Age : 67 years
Qualification : M.A, LLB; I.A.S. (Retd.)
Experience : 43 Years

Mr. Kapur joined the Indian Administrative Services in 1961. During his service, he held several positions of high responsibility, including that of the Chief Secretary to the Government of Punjab, Secretary to the Government of India and as a member of the Board for Industrial and Financial Reconstruction. His contribution to industrial development, both at the State level and the national level, has been noteworthy. During his tenure as Secretary, Industries and Chairman, Punjab State Industrial Development Corporation, the State of Punjab witnessed the maximum industrial growth under his stewardship. During his tenure as Secretary, Department of Small Scale Industries, small industry grew into a very large and substantial part of the Indian economy. Mr. Kapur has published a number of papers on various subjects connected with industry. He is presently working as an Honorary Adviser to the President of the Punjab/Haryana/Delhi Chamber of Commerce and Industry.

Mr. Kapur has served on the Company's Board since 2001.

Details of Directorships in other companies:

Name of the Company	Nature of Interest
M/s. Gopalpur Power Ltd	Director
M/s. Dhir & Dhir Asset Reconstruction & Securitisation Company Ltd	Director
M/s. Grant Thornton (India) P. Ltd	Director
M/s. Millenium Lanka Wires (P) Ltd	Chairman

Mr. A.P. Gandhi

Age : 65 years
Qualification : B.E. (Mech)
Experience : 40 Years

An Engineering graduate, Mr. Gandhi has held top leadership positions in prestigious organizations. He worked for over 15 years in Telco in senior managerial positions and, thereafter, headed the complete tractor operations of Escorts. More recently, Mr. Gandhi completed a highly successful term as President, Hyundai Motors India Ltd. During his tenure, Hyundai became the second largest car manufacturing company in India. Mr. Gandhi is an alternate Chairman of the Governing Council of EMPI Business School and Secy. General of India-Republic of Korea Friendship Society.

Mr. Gandhi was appointed as Additional Director on the Company's Board in October, 2003.

UNIPRODUCTS (INDIA) LTD.**Details of Directorships in other companies:**

Name of the Company	Nature of Interest
M/s. Fag Bearings India Ltd	Chairman
M/s. Lumax Industries Ltd	Director
M/s. Claas India Ltd	Director
M/s. Fair Field Atlas	Director
M/s. MLR Motors	Director

3. 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. The Remuneration Committee met once during the year, on 29th August, 2003. All Members of the Committee attended the meeting.

4. REMUNERATION OF DIRECTORS:**Remuneration of Executive Directors**

The detail of remuneration paid to the Executive Directors for the financial year 2003-2004 is as follows:

Name of Director	Salary (Rs.)	House Rent Allowance (Rs.)	Contribution to Provident Fund (Rs.)	Commission (Rs.)	Other perquisites (Rs.)	Total (Rs.)
Dr. Ashwan Kapur	1140000	684000	136800	53208	217164	2231172

Remuneration of Non-Executive Directors

The detail of remuneration paid to the Non-Executive Directors for the financial year 2003-2004 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	40,000	15,000
Mr. Govind Narain	45,000	15,000
Dr. Bhaskar Dutta	40,000	Not a member
Mr. M.M. Kohli	35,000	Not a member
Mr. S.L. Kapur	45,000	15,000
Mr. A.P. Gandhi	10,000	Not a member

5. AUDIT COMMITTEE

The terms of reference of the Audit Committee include, inter alia, to oversee the Company's financial reporting process, internal control systems, reviewing the accounting policies and practices, reports of the Company's internal auditors and financial statements audited by the statutory auditors, as also to review financial and risk management policies.

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.

Six Audit Committee Meetings were held during the year—on 29/04/2003, 31/07/2003, 29/08/2003, 30/10/2003, 24/11/2003 and 29/01/2004.

**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	06	06
Mr.C.K.Hazari	Non-Executive & Independent	Member	06	06
Mr.S.L.Kapur	Non-Executive & Independent	Member	06	06

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year ended March 31, 2004 is published separately in this Annual Report.

7. SHARE TRANSFER AND SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:

The Share Transfer and Shareholders/Investors Grievance Committee was reconstituted on 30th September, 2003, inducting Mr. S.L. Kapur as Chairman.

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.S.L. Kapur	Non-Executive & Independent	Chairman	17	11
Dr.Ashwan Kapur	Executive	Member	17	17
Mr. C.K.Hazari	Non-Executive & Independent	Member	17	17
Dr. Bhaskar Dutta	Non-Executive & Independent	Member	17	17

The Board had designated Ms. Abha Atri as Compliance Officer. She has recently resigned and a fresh Compliance Officer will soon be designated.

The Committee approves and monitors transfer, transmission, 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 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. A total of 41 complaints/queries of shareholders/investors were received and all of them were resolved.

8. GENERAL BODY MEETINGS

The details of the last three Annual General Body Meetings are as under :

Financial Year	Venue	Day	Date	Time
2000-2001	Registered Office of the Company at 84 Km Stone, Delhi-Jaipur Road Distt. Rewari, Haryana – 123 401	Wednesday	September 26, 2001	11.30 A.M.
2001-2002	— Do —	Wednesday *	September 25, 2002	11.30 A.M.
2002-2003	— Do —	Tuesday	September 30, 2003	11.30 A.M.

No Special Resolutions were implemented through postal ballot during the year under review, nor are any Resolutions presently proposed.

UNIPRODUCTS (INDIA) LTD.**9. DISCLOSURES**

- There were no related party transactions of a materially significant nature 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 for non-compliance on any matter related to capital markets, during the last three years.

10. MEANS OF COMMUNICATION

The Company publishes its quarterly results in the Asian Age and Dainik Tribune. It also proposes to display its quarterly results on the Company's website www.unitexindia.com in each quarter from the current quarter onwards.

11. GENERAL SHAREHOLDER INFORMATION

- Annual General Meeting**
Date, Time & Venue : 22nd September, 2004, Wednesday
11:30 A.M. at the Registered Office
- Financial Calendar (Tentative)**
Financial reporting for the quarter ended on June 30, 2004 : Last week of July, 2004
Financial reporting for the quarter ending on Sept.30, 2004 : Last week of Oct., 2004
Financial reporting for the quarter ending on Dec.31, 2004 : Last week of Jan., 2005
Financial reporting for the year ending on March 31, 2005 : Last week of April, 2005
- Book Closure Date** : 16th September, 2004 to 22nd September, 2004
- Payment Date of Dividend** : On or after 22nd September, 2004
- Registered Office** : Jarthal Village Road
84 Km. Stone, Delhi-Jaipur Road,
P.O.Sangwari, Distt. Rewari,
Haryana 123 401
- Listing on Stock Exchanges (Equity Shares)** : **Stock Code**
The Delhi Stock Exchange Association Ltd.,
DSE House, 3/1Asaf Ali Road, New Delhi : 21033
The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 : 7856
Demat ISIN Number in NSDL & CDSL for Equity Shares : INE715C01011
Listing fees have been paid to both the Stock Exchanges for 2003-04

● Stock Market Data

Month	Mumbai Stock Exchange		Delhi Stock Exchange	
	High	Low	High	Low
April 2003	15.75	14.05	No trading	
May 2003	17.00	14.00	— Do—	
June 2003	18.25	15.50	— Do—	
July 2003	20.90	17.15	— Do—	
August 2003	18.45	15.00	— Do—	
September 2003	17.65	15.10	— Do—	
October 2003	16.75	13.85	— Do—	
November 2003	17.00	13.80	— Do—	
December 2003	23.00	17.00	— Do—	
January 2004	21.00	15.50	— Do—	
February 2004	17.60	14.15	— Do—	
March 2004	15.95	13.00	— Do—	

Source : www.bseindia.com