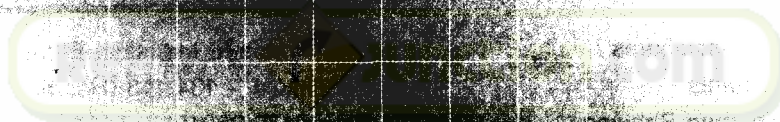


11TH ANNUAL REPORT



Uniroyal
Textile Industries Limited

BOARD OF DIRECTORS

| | |
|---------------------------|--------------------|
| Shri Arvind Mahajan | Managing Director |
| Smt. Rashmi Mahajan | Executive Director |
| Shri Pritam Chand Mahajan | Director |
| Shri Sanjiv Kumar | Director |
| Shri K.K. Malik | Director |
| Shri Pradeep Aggarwal | Director |
| Shri Akhil Mahajan | Director |
| Shri Anirudh Khullar | Director |
| Shri Sushil Gupta | Director |

AUDITOR

M/s Sud Gupta & Associates
Chartered Accountants
1st Floor, 4-A, Khurana Bhawan,
Lawrence Road, Amritsar
Phone : 2212993, 2211352

REGISTERED OFFICE CUM FACTORY

365, Phase-II, Industrial Estate,
Panchkula - 134 113 (Haryana)
Ph. : 0172-2591912, 2591960
Fax : 0091-0172-2591837

SHARE TRANSFER AGENTS CUM DEMAT REGISTRAR

M/s In-time Spectrum Registry Ltd.
A-31, 3rd Floor, Near PVR Cinemas,
Naraina Industrial Area, Phase-I,
New Delhi - 110 028
Phone : 011-51410592-93-94

BANKERS

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

UNIROYAL TEXTILE INDUSTRIES LIMITED**ANNUAL GENERAL MEETING NOTICE****11th Annual Report
2003-2004**

Notice is hereby given that the 11th Annual General Meeting of the members of **M/s Uniroyal Textile Industries Limited** will be held on Wednesday 29th September 2004 at 10 a.m. at Hotel Prabhat 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, 2004 and the audited Profit & Loss Account for the financial year ended on that date alongwith the Directors' Report and Auditors' Reports thereupon.
2. To appoint a director in place of Mr. K.K. Malik who retires by rotation, but being eligible has offered himself for re-appointment.
3. To appoint a director in place of Mr. Sanjiv Kumar who retires by rotation, but being eligible has offered himself for re-appointment.
4. To appoint Auditors of the company and fix their remuneration.

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. Arvind Mahajan as Managing Director of the company for a period of 5 years w.e.f. 20th April, 2004.

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

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

| | | | |
|----|--------------------------------|---|--|
| A. | Salary | : | Rs. 40,000/- (Rs. Forty Thousand only) per month. |
| B. | Commission | : | 0.75% of net sale for the financial year. |
| C. | Housing | : | The appointee shall be provided by the company a rent free furnished accommodation with one watchman and the expenditure incurred on gas, electricity and water shall be reimbursed to him by the company. |
| D. | Medical reimbursement | : | The company shall reimburse the medical expenses incurred for the appointee and his family. |
| E. | Club Fee | : | Fee of clubs subject to maximum of two clubs, including admission and life membership fees. |
| F. | Personal Accident Insurance | : | Premium not to exceed Rs. 10,000 per annum. |



UNIROYAL TEXTILE INDUSTRIES LIMITED

- | | | | |
|-------------------|--|---|---|
| G. | Leave travel Concession | : | First class air passage for self, wife, dependent children and dependent parents of the appointee once in a year. |
| H. | 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 |
| I. | 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. |
| 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 in Clause (A) to Clause (I) above shall not exceed the limit of remuneration prescribed under para 1(A) 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. Arvind Mahajan will be paid the aforesaid remuneration as minimum remuneration."

Dated: 17.07.2004
Place : Panchkula

By order of the Board
S/d

(Ram Mehar Garg)
Company Secretary

UNIROYAL TEXTILE INDUSTRIES LIMITED

11th Annual Report
2003-2004

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 Statement pursuant to Section 173 (2) of the companies Act, 1956 in respect of Item No 5 is enclosed herewith and forms 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 24th September, 2004 to 29th September, 2004 (both days inclusive) at the time of Annual General Meeting of the Company.
6. Members having any queries 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 alongwith 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 Sud Gupta and Associates, Chartered Accountants are the present Auditors of the Company. Pursuant to section 224 of the Companies Act, 1956 they would retire as Auditor at this Annual General Meeting of the Company. Being eligible they have offered themselves for re-appointment.



UNIROYAL TEXTILE INDUSTRIES LIMITED

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

ITEM NO. 5

Mr. Arvind Mahajan is a promoter director of the company. He conceived the woven-label manufacturing project of the company and it was under his management and control that the project was set up and the woven-labels of the company became accepted by most of the renowned companies of India. Encouraged by the good market response, the capacity of the project was successfully expanded recently.

The Remuneration Committee in its meeting held on 27th March, 2004 has also recommended his re-appointment as Managing director on the same remuneration given in above proposed resolution as he was drawing in his previous tenure. Following the recommendations of the Remuneration Committee, the Board of Directors has re-appointed Mr. Arvind Mahajan as Managing Director of the company for another term of 5 years w.e.f. 20th April, 2004 on the same remuneration as recommended by the Remuneration Committee.

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

Mr. Arvind Mahajan being the appointee, Mr. P.C. Mahajan, Mrs. Rashmi Mahajan and Mr. Akhil Mahajan being close relatives of Mr. Arvind Mahajan are interested in the proposed resolution.

No other director is, directly or indirectly, concerned or interested, in the proposed resolution.

The resolution, if approved as proposed, be treated as an abstract of the terms of re-appointment of Mr. Arvind Mahajan u/s 302 of the Companies Act, 1956.

UNIROYAL TEXTILE INDUSTRIES LIMITED**11th Annual Report****2003-2004****DIRECTORS' REPORT**

(Pursuant to Section 217 of the Companies Act, 1956)

The Members

Uniroyal Textile Industries Limited,

The Board of Directors of your company are pleased to present their 11th Annual Report along with the Audited Balance Sheet and Profit & Loss accounts for the Financial Year ended 31st march, 2004 and the Auditor's Report Thereon:

FINANCIAL RESULTS

(Rs. in Lacs)

| Particulars | Financial Year | Financial Year |
|--|------------------|------------------|
| | Ended 31.03.2004 | Ended 31.03.2003 |
| Sales | 420.49 | 482.91 |
| Other Income | 3.42 | 0.94 |
| Total Income | 423.91 | 483.85 |
| Total Expenditure | 301.43 | 310.05 |
| Interest | 31.33 | 32.57 |
| Gross Profit after interest but before depreciation & tax | 91.15 | 141.23 |
| Depreciation | 96.15 | 91.29 |
| Prior Period Adjustments | 00.13 | 0.00 |
| Profit Before Tax | (5.13) | 49.94 |
| Provision for Tax | | |
| -Current Year | 00.00 | 3.93 |
| - Deferred Tax Liability | 00.04 | 16.27 |
| Net Profit | (5.17) | 29.74 |
| Appropriations | | |
| Income Tax Adjustment | 00.00 | (0.19) |
| Transferred to General Reserve | 00.00 | 20.00 |
| Carried to Balance Sheet | (5.17) | 9.93 |
| Paid up equity share Capital | 488.55 | 488.55 |
| Reserves & Surplus | 272.01 | 277.14 |

REVIEW OF OPERATIONS

During the year under review sales of the company decreased from Rs. 482.91 lacs to Rs. 420.49 lacs thereby showing a decrease of 12.92 %. Consequent to decrease in sales, Profits before tax decreased from Rs. 49.94 lacs to Rs.(5.13) lacs. It is relevant to mention here that overall sale of the label industry has witnessed a decline of around 28%. During the year your company has completed its expansion plan including an outlay of Rs. 160 lacs which is financed partially by State Bank of India and rest from company's internal accruals. The production is likely to commence with in a month. The other relevant details are mentioned in the management discussion and analysis report annexed to this report.



UNIROYAL TEXTILE INDUSTRIES LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the Companies Act, 1956, it is hereby stated

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.
- (iii) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) That the directors have prepared the annual accounts on a going concern basis.

LISTING STATUS OF SHARES

Shares of your company were listed on four Stock Exchanges viz. Mumbai, Delhi, Jaipur and Ludhiana. However, in view of the special resolution passed in the 10th Annual General Meeting and SEBI (Delisting of Securities) Guidelines, 2003, the company got its equity shares delisted from the Ludhiana Stock Exchange and Jaipur Stock Exchange w.e.f. 26.03.2004 and 15.05.2004 respectively. Presently the shares of the company are listed on Mumbai Stock Exchange and Delhi Stock Exchange.

The company had earlier applied to Calcutta Stock Exchange for delisting but despite several reminders no response has been received from that exchange and the company is following up regularly. Your company is regular in paying Annual Listing Fees to the concerned stock exchanges.

DIRECTORS

Mr. K.K.Malik and Mr. Sanjiv Kumar would retire by rotation as directors of the company at the forthcoming Annual General Meeting and being eligible they have offered themselves for re-appointment as directors of the company.

The Board recommends the appointment of Mr. K.K.Malik and Mr. Sanjiv Kumar as directors of the company liable to retire by rotation.

AUDITORS' OBSERVATIONS

Auditor's observations have been suitably explained in the notes to accounts.

AUDITORS

M/s Sud Gupta & 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 11th Annual General Meeting of the company and being eligible they have offered themselves for re-appointment.

The Board recommends their re-appointment as Auditors of the company for the financial year 2004-2005.

UNIROYAL TEXTILE INDUSTRIES LIMITED**11th Annual Report
2003-2004****PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956.**

None of the employee is covered under section 217(2A) of the Companies Act read with Companies (Particulars of employees) Rules, 1975 as amended, hence the same is not applicable.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

Pursuant of the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, the particulars of energy conservation and technology absorption are enclosed herewith as **Annexure A** forming integral part of this Directors' Report.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, a report on the corporate governance along with the required certificates from the auditors of the company and management discussion and analysis report is given herewith as an addition to this report.

ACKNOWLEDGEMENT

The company and management convey their appreciation and thankfulness for the support extended by the executives, staff and workers of the company. The Board feels indebted and express its appreciation to the Bankers, Government agencies, customers, suppliers and investors of the company for their continuous help, co-operation and support. The Board is thankful to the members of the company in special for their confidence in the management.

For and on behalf of the Board

Sd/-

(Rashmi Mahajan)
Executive Director

Sd/-

(Arvind Mahajan)
Managing Director

Dated : 15.06.2004
Place : Panchkula



UNIROYAL TEXTILE INDUSTRIES LIMITED

ANNEXURE-A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

A. POWER AND FUEL CONSUMPTION

| Particulars | Current Year 2003-04 | Previous Year 2002-03 |
|---|-------------------------|--------------------------|
| 1. Electricity | | |
| (a) Purchased | | |
| Unit | 7,96,226 Units | 6,90,504 Units |
| Total Amount | Rs. 32,76,978 | Rs. 32,50,493 |
| Rate/Unit | Rs. 4.12 | Rs. 4.71 |
| (b) Own Generation | | |
| (I) Through Diesel Generator | | |
| Unit | 31,696 Units | 68,925 Units |
| Units Per Ltr. of Diesel | 2.80 Units | 2.80 Units |
| Costs/Units | Rs. 7.20 | Rs. 6.26 |
| (II) Through Steam Turbine | NIL | NIL |
| 2. Coal (specify Quality and where used) | | |
| Quantity (Tonnes) | NIL | NIL |
| Total Cost | NIL | NIL |
| Average Rate | NIL | NIL |
| 3. Furnance Oil | | |
| Quantity (K.Ltr.) | NIL | NIL |
| Total Amount | NIL | NIL |
| Average Rate | NIL | NIL |
| 4. Others Internal Generation (Please Give Details) | | |
| Quantity | NIL | NIL |
| Total Cost | NIL | NIL |
| Rate/Unit | NIL | NIL |

B. CONSUMPTION PER UNIT OF PRODUCTION

| Particulars | Standards (if any) | Current Year 2003-04 | Previous Year 2002-03 |
|-------------------|--------------------------|-------------------------|--------------------------|
| Production | Narrow Fabrics | | |
| | Woven Lables (in Pieces) | 901.64 lacs | 1,021.48 lacs |
| Electricity | None | 9.18 Units/1000 pcs | 7.43 Unit/1000 Pcs |
| Furnance Oil | N.A. | | N.A. |
| Coal | N.A. | | N.A. |
| (Specify Quality) | | | |
| Others (Specify) | N.A. | | N.A. |