

Uniroyal

Textile Industries Limited

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12 TH ANNUAL REPORT 2004-200

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 Pardeep 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. : 0172-593592, 5066531-34
Fax : 0091-172-591837

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
Specialised Commercial Branch,
Sector 17, Chandigarh

UNIROYAL TEXTILE INDUSTRIES LIMITED**12th Annual Report
2004-2005****ANNUAL GENERAL MEETING NOTICE**

Notice is hereby given that the 12th Annual General Meeting of the members of M/s Uniroyal Textile Industries Limited will be held on Friday, 30th September, 2005 at 10.00 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, 2005 and the Profit & Loss Account for the financial year ended on that date alongwith the Directors' Report and Auditors' Report thereupon.
2. To appoint a director in place of Mr. Akhil Mahajan who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. P.C. Mahajan who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the company and to 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, consent of the members be and is hereby given for the re-appointment of Mrs. Rashmi Mahajan as Executive Director of the company for a period of 5 years w.e.f. 1st July, 2005.

FURTHER RESOLVED THAT Mrs. Rashmi 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 her services as Executive Director, Mrs. Rashmi 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.	Medical reimbursement	:	The company shall reimburse the medical expenses incurred for the appointee and his family.
D.	Club Fee	:	Fee of clubs subject to maximum of two clubs, including admission and life membership fees.
E.	Personal Accident Insurance	:	Premium not to exceed Rs. 10,000 per annum.
F.	Leave travel Concession	:	First class air passage for self, spouse, dependent children and dependent parents of the appointee once in a year.
G.	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.
H.	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.



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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 (H) 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, Mrs. Rashmi Mahajan will be paid the aforesaid remuneration as minimum remuneration."

6. To consider and if thought fit to pass with or without modifications, the following resolution as Special Resolution :-

"RESOLVED THAT pursuant to the provisions of Section 81, 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) and the enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the company with the Stock Exchanges where the shares of the company are listed and subject to the consents, permissions and approvals and/or sanctions from all appropriate authorities, including Securities & Exchange Board of India (SEBI), Govt. of India, Reserve Bank of India, Financial Institution(s), Stock Exchanges and all other bodies and institutions as may be relevant (hereinafter singly or collectively referred to as "the Appropriate Authorities") and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting any such consents, permissions, approvals and/or sanctions (hereinafter referred to as "the Board" which term shall be deemed to include any committee(s) thereof which the Board may constitute to exercise powers of the Board), the consent of the Company be and is hereby accorded to the Board to create, issue, offer and allot in one or more tranches on preferential allotment basis upto 3,00,000 equity shares of Rs. 10 each at a price of Rs. 10.50/- per share to Mrs. Dimple Mahajan, belonging to the promoter group of the company.

FURTHER RESOLVED THAT the equity shares so issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu with the existing equity shares of the company in all respects.

FURTHER RESOLVED THAT the Board be and is hereby authorized to accept the terms and conditions and stipulations made by the regulatory authorities while granting approval to the company for issue of securities as aforesaid.

FURTHER RESOLVED THAT for the purpose aforesaid, the Board be and is hereby specifically authorized to take all such steps and actions and to give such direction, as it may in its absolute discretion, deem necessary or desirable for such purpose and also settle any question or difficulty that may arise with regard to the proposed issue and allotment of equity shares aforesaid."

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7. To consider and if thought fit to pass with or without modifications, the following resolution as Special Resolution :-

"RESOLVED THAT pursuant to the provisions of Section 21 and other provisions applicable, if any, of the Companies Act, 1956 consent of the members is hereby given to the Board of Directors to change the name of the company from "UNIROYAL TEXTILE INDUSTRIES LIMITED" to "UNIROYAL INDUSTRIES LIMITED" or to such other name as may be approved by the Registrar of Companies, N.C.T. of Delhi and Haryana and the name of the company "UNIROYAL TEXTILE INDUSTRIES LIMITED" wherever it appears in the Memorandum and Articles of Association be changed to "UNIROYAL INDUSTRIES LIMITED" or to such other name as may be approved by the Registrar of Companies, N.C.T. of Delhi and Haryana."

Dated: 31.08.2005
Place : Panchkula

By order of the Board
S/d
(Amarjeet Kaur)
Company Secretary

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 Statements pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no. 5, 6 & 7 is enclosed herewith and form 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 27th September, 2005 to 30th September, 2005 (both days inclusive) at the time of Annual General Meeting of the company.
6. Members having any query 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 along with 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 the section 224 of the Companies Act, 1956 they would retire as Auditors at this Annual General Meeting of the company. Being eligible they have offered themselves for re-appointment.



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

ITEM NO. 5

Mrs. Rashmi Mahajan is a promoter director of the company and she has been instrumental in development and designing of woven labels manufactured by the company. She has been devoting her full time and energy in the business of the company and it is largely due to her consistent and devoted efforts that the company's woven labels have gained acceptance from the most reputed national and international garment manufacturers.

Mrs. Rashmi Mahajan had been appointed as Executive Director of the company for a period of 5 years w.e.f. 1st July, 2000 in the Annual General Meeting held on 29th September, 2000. Her term of appointment has expired on 30th June, 2005.

The Remuneration Committee in its meeting held on 25th June, 2005 has recommended her re-appointment as Executive Director on the same remuneration given in above proposed resolution as she was drawing in her previous tenure. Following the recommendations of the Remuneration Committee, the Board of Directors has re-appointed Mrs. Rashmi Mahajan as Executive Director of the company for another term of 5 years w.e.f. 1st July, 2005 on the same remuneration.

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

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

No other director is 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 Mrs. Rashmi Mahajan u/s 302 of the Companies Act, 1956.

ITEM NO. 6

Your company has entered into two new businesses viz Real Estate and Pharmaceuticals. To meet the fund requirements of these new businesses, the company proposes to make a preferential issue of equity shares. Since your company is a listed company, the proposed issue is in terms of the provisions of the Companies Act, 1956, Listing Agreement, Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and all other applicable laws, guidelines, rules and regulations issued in this regard. In term of the provisions of the Companies Act, 1956 and the aforesaid SEBI Guidelines and Regulations, the relevant disclosures/ details are given below:

Instrument :

The company is proposing to issue 3,00,000 Equity Shares of Rs. 10/- each at a price of Rs. 10.50/ per share aggregating to Rs. 31,50,000/- on preferential allotment basis.

Lock-in:

The equity shares issued on preferential basis shall be subject to lock-in as per SEBI (Disclosure & Investor Protection) Guidelines, 2000 as applicable.

Relevant Date & Issue Price:

The relevant date for the purpose of determination of issue price of resultant equity shares is 30th August, 2005.

Issue price of the equity shares will be the price calculated as per the pricing formula prescribed in the

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SEBI Guidelines, which is given below, but not below the face value of the equity share:

a) The average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the six months preceding the relevant date;

or

b) The average of weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date; whichever is higher.

The price according to above formula is Rs. 10.28 per share.

Particulars of the Allottees:

The present preferential issue of shares is proposed to be made to Mrs. Dimple Mahajan, belonging to promoter group of the company.

Pre-issue & Post-issue holding of the proposed Allottees:

As on the date of this notice, the proposed allottee has not sold any shares of the company during the six months period prior to the relevant date. Pre-issue and Post-issue equity shares of the proposed allottee will be as follows:

Particulars	Pre-issue		Post-issue	
	As on 19.08.2005		No. of Shares	% of Holding
	No. of Shares	% of Holding		
Mrs. Dimple Mahajan	11700	0.204	311700	5.164

Pre-issue & Post-issue shareholding Pattern of the Issuer Company:

Sr. No.	Particulars	Pre-issue		Post-issue	
		As on 19.08.2005		No. of Shares	% of Holding
		No. of Shares	% of Holding		
1	Indian Promoters				
	a) Mr. Arvind Mahajan	78389	1.367	78389	1.299
	b) Mrs. Rashmi Mahajan	58019	1.012	58019	0.961
	c) Mr. Pritam Chand Mahajan	58200	1.015	58200	0.964
	d) Mr. Akhil Mahajan	213000	3.714	213000	3.529
	e) Arvind Mahajan (HUF)	55900	0.975	55900	0.926
	f) Mr. Abhay Mahajan	13400	0.234	13400	0.222
	g) Mrs. Santosh Sagar	1000	0.017	1000	0.017
	h) Mrs. Anila Aggarwal	100	0.002	100	0.002
	i) Mrs. Dimple Mahajan	11700	0.204	311700	5.164
	j) Sidhartha Textile Mills Ltd.	33800	0.589	33800	0.560
	Sub Total [(a) to (e)]	523508	9.129	823508	13.644
2	Persons Acting in Concert	3800	0.066	3800	0.063
3	Mutual Funds and UTI	9500	0.166	9500	0.157
4	Private Corporate Bodies	2131316	37.160	2131316	35.313
5	Indian Public	2901084	50.581	2901084	48.067
6	NRIs/OCBs	166292	2.899	166292	2.755
	Grand Total	5735500	100.000	6035500	100.000



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Objects and Purpose of the Preferential Issue:

There is an increase in the requirements of funds with the increased level of operations as the company has entered into two new business activities viz Real Estate and Pharmaceuticals. The company has proposed to make a preferential issue to Mrs. Dimple Mahajan, belonging to promoter group of the Company to meet the additional requirements of funds and to augment the capital base of the company for further leveraging.

Proposed time of allotment:

The allotment of equity shares in the present preferential issue will be made within a period of 15 days from the date of passing of the aforesaid special resolution in the present AGM excluding the time taken in obtaining the necessary approvals, if any, or with in such further period as may be prescribed or allowed by the SEBI, stock exchange(s) or other concerned authorities.

Auditors's Certificate:

The statutory auditors of the company have certified that the present preferential issue of equity shares, on the above terms and conditions, is in accordance with the requirements contained in the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended upto date. The auditors's certificate shall be laid before the AGM.

No change in control or management of the company:

As a result of the proposed allotment, there will be no change in the control or management of the company. In terms of the provisions of Companies Act, 1956, the consent of the members by way of special resolution is required. Your directors recommend the resolution for adoption.

Mrs. Dimple Mahajan being the proposed allottee and Mr. Arvind Mahajan, Mrs. Rashmi Mahajan, Mr. P.C. Mahajan and Mr. Akhil Mahajan being her close relatives are interested in the proposed special resolution for the issuance of shares on preferential allotment basis as stated above.

ITEM NO. 7

Presently the company is engaged in the business of manufacturing of textile woven labels only. The members in the Extra-ordinary General Meeting held on 22nd June, 2005 have decided to diversify and expand the business of the company to real estate business and pharmaceuticals business. Hence, with the commencement of new businesses, the company will become a multi-product company and hence its present name "UNIROYAL TEXTILE INDUSTRIES LIMITED" will not reflect the true business activities of the company. Therefore, it has been decided to change the name of the company from "UNIROYAL TEXTILE INDUSTRIES LIMITED" to "UNIROYAL INDUSTRIES LIMITED".

Pursuant to Section 21 of the Companies Act, 1956, change in the name of the company requires approval of the members by way of Special Resolution.

The proposed resolution is, therefore, being placed before the members for their approval. If approved by the members, the change in name will be further subject to the approval of the Central Government u/s 20 and 21 of the Companies Act, 1956. The change in name will become effective only upon issue of fresh Certificate of Incorporation by concerned Registrar of Companies.

None of the director is concerned or interested, in the proposed resolution.

UNIROYAL TEXTILE INDUSTRIES LIMITED**DIRECTORS' REPORT****12th Annual Report****2004-2005**

The Members

Uniroyal Textile Industries Limited,

The Board of Directors of your company are pleased to present the 12th Annual Report along with audited Balance Sheet and Profit & Loss account for the Financial Year ended 31st March, 2005 and the Auditor's Report thereon:

FINANCIAL RESULTS**(Rs. in Lacs)**

Particulars	Financial Year Ended 31.03.2005	Financial Year Ended 31.03.2004
Sales	468.30	420.49
Other Income	3.28	3.42
Total Income	471.58	423.91
Total Expenditure	307.86	301.43
Interest	17.83	31.33
Gross Profit after interest but before depreciation & tax	145.89	91.15
Depreciation	105.40	96.15
Prior Period Adjustments	1.58	00.13
Profit Before Tax	38.91	(5.13)
Provision for Tax		
-Current Year	3.05	00.00
-Deferred Tax Liability	8.83	00.04
Net Profit	27.03	(5.17)
Appropriations		
Transferred to General Reserve	5.00	0.00
Carried to Balance Sheet	22.03	(5.17)
Paid up equity share capital	488.55	488.55
Reserves & Surplus	307.87	272.01

REVIEW OF OPERATIONS

During the year under review your company has achieved a turnover of Rs. 468.30 lacs registering a growth of 11.37 per cent over the previous year's turnover of Rs. 420.49 lacs. Profits before tax was Rs. 38.91 lacs as compared to Rs. (5.13) lacs for the previous year. The rise in margin was mainly due to focus on regulated markets and steps taken to reduce the costs. The other relevant details are mentioned in the management discussion and analysis report annexed to this report.



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CAPITAL STRUCTURE

With the approval of members received in the EOGM held on 22nd June, 2005, the company has allotted 8,50,000 equity shares on Preferential Allotment Basis to M/s Emm Bee Financial Services Ltd. non-promoter of the company at a price of Rs. 10/- per share. The funds were utilised to meet the needs of two new business activities viz. pharmaceuticals and real estate business.

Consequent to the issue, the paid up equity share capital of the company has increased from Rs. 488.55 lacs to 573.55 lacs.

COMMENCEMENT OF NEW BUSINESS ACTIVITIES

Your company has, with the approval of members received in the EOGM held on 22nd June, 2005, commenced two new business activities viz. Pharmaceutical business and business of real estate. The land has been purchased at Baddi, Himachal Pradesh to set up the Pharmaceutical Plant. The real estate business has been started as a partner in a partnership firm M/s Uniroyal Builders and Developers for the construction and development of residential and commercial complexes.

LISTING STATUS OF SHARES

As per the special resolution passed by the members in the 10th Annual General Meeting, the company has got its shares delisted from the Calcutta Stock Exchange w.e.f. 25th April, 2005. Shares of your company are now listed on Stock Exchanges of Mumbai and Delhi.

Your company is regular in paying annual listing fees to the concerned stock exchanges.

MAJOR EVENT

During the month of April, 2005, fire broke out in the factory premises of the company damaging some of the machines and work in process. The damage caused was Rs. 357.53 lacs approx. The machines were fully insured with M/s Bajaj Allianz Insurance Company and the company has received a provisional amount of Rs. 250.00 lacs from the insurance company. The company has imported new machines which are fully operating now.

DIRECTORS

Mr. P.C. Mahajan and Mr. Akhil Mahajan would retire by rotation as directors of the company at the forthcoming Annual General Meeting and being eligible they offered themselves for re-appointment as directors of the company.

The Board recommends the appointment of Mr. P.C. Mahajan and Mr. Akhil Mahajan 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 12th 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 2005-2006.