

# **19 th Annual Report**

## **2002-03**



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# **UNITED LEASING & INDUSTRIES LIMITED**

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**BOARD OF DIRECTORS**

Mr. R.K.Khanna	Chairman
Mr. Anoop Kumar Khanna	Director
Mr. Anil Kumar Khanna	Director

**STATUTORY AUDITORS**

M/s. R.S. Ahuja & Co.,  
 Chartered Accountants,  
 C-1/124, Lajpat Nagar-I,  
 New Delhi-110024.

**REGISTERED OFFICE**

Plot No.66, Sector-34, EHTP,  
 Distt.Gurgaon, Haryana.

**CORPORATE OFFICE**

R.K. Khanna Tennis Stadium,  
 Basement, DLTA Complex (West Wing),  
 Africa Avenue, New Delhi-110029.

**REGISTRAR & SHARE TRANSFER AGENTS**

Intime-Spectrum Registry Ltd.  
 A-31, 3rd Floor, Near PVR Naraina  
 Naraina Industrial Area,  
 Phase-1, New Delhi-28,  
 Phone : 011-51410592-93-94  
 Fax : 011-51410591

Annual General meeting on Tuesday 30th of September 2003 at Company's Works premises, 14KM, Village  
 Jhund Sarai Veeran, Gurgaon Pataudi Road, Gurgaon, Haryana at 2.30 p.m.

**PLEASE NOTE:**

1. No gifts / gift coupons / company products will be given at the meeting.
2. No attendance slip will be issued at the AGM venue.

**UNITED LEASING & INDUSTRIES LIMITED****NOTICE TO SHARE HOLDERS**

NOTICE IS HEREBY GIVEN THAT THE 19TH ANNUAL GENERAL MEETING OF THE MEMBERS OF UNITED LEASING & INDUSTRIES LIMITED WILL BE HELD ON TUESDAY, THE 30TH OF SEPTEMBER, 2003, AT 2.30 P.M., AT WORKS PREMISES 14 KM, VILLAGE JHUND SARAI VEERAN, GURGAON PATAUDI ROAD, GURGAON, HARYANA, TO TRANSACT THE FOLLOWING BUSINESS:

**A. ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2003 and the Profit & Loss Account for the year ended on that date, together with the Report of the Directors' and Auditors' thereon.
2. To elect a Director in place of Mr. Anil Kumar Khanna who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors of the Company and to fix their remuneration. M/s. R.S.Ahuja & Co., Chartered Accountants, the retiring auditors being eligible, offer themselves for reappointment.

**B. SPECIAL BUSINESS**

4. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"**RESOLVED THAT** subject to the provision of Section 61 of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force, clause 5,6 and 7 and other applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such approvals, permissions and sanctions as may be necessary the consent of the company be and is hereby accorded to the Board of Directors to delist the Company's equity shares from the Delhi Stock Exchange Association Ltd. at Delhi."

"**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized to apply to Delhi Stock Exchange and take all the required steps in terms of guidelines laid down by the SEBI for voluntary delisting of the equity shares from the Stock Exchanges of Delhi, and to settle any question or dispute that may arise thereon and also to do all such acts, deeds, and things as may be required."

By order of the Board  
For UNITED LEASING & INDUSTRIES LTD.

PLACE : New Delhi  
DATE : 26th June, 2003

Sd/-  
ANIL KUMAR KHANNA  
Director

**UNITED LEASING & INDUSTRIES LIMITED****NOTES:****1. PROXY**

A member entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote instead of himself and that proxy need not be a member. The instrument appointing a proxy, should however be deposited at the Corporate Office of the Company not less than 48 hours before the commencement of the meeting. A blank proxy form is annexed to this Annual Report.

**2. BOOK CLOSURE**

Share Transfer Books and Register of Members of the Company will remain closed from Friday 26th of September, 2003 to Tuesday, 30th of September 2003, both days inclusive.

**3. NOMINATION FACILITY**

In terms of Section 109A of the Companies Act, 1956, every shareholder is now entitled to nominate a person to whom his shares in the Company shall vest in the unfortunate event of his death.

- (a) Nomination by Joint Holders : where the shares are held jointly by two persons, the joint holders may together nominate a person to whom all rights in the shares shall vest in the event of death of both the joint holders. It may be noted that nomination of separate persons by the joint holders is not permitted.
- (b) Nomination of a Minor : where the nominee is a minor, the shareholder may appoint any person to become entitled to the securities in the event of his death during minority.

The shareholders who want to avail of the facility of nomination may send in their nomination in Form 2B prescribed under the Companies Act, 1956. A specimen of the said form is appended at the end of this Annual Report.

**4. MEMBERS ARE REQUESTED TO:**

- i) Notify any change in their Address immediately.
- ii) Quote their Folio Number while corresponding with the Company.
- iii) Send their queries, if any, to reach the Company's Corporate Office at least 10 days before the date of the meeting so that information can be made available at the meeting; and
- iv) Bring their copy of the Annual Report at the meeting.

**By order of the Board  
For UNITED LEASING & INDUSTRIES LTD.**

**PLACE : New Delhi  
DATE : 26th June, 2003**

**Sd/-  
ANIL KUMAR KHANNA  
Director**

**UNITED LEASING & INDUSTRIES LIMITED****EXPLANATORY STATEMENT  
PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No.4**

Your Company reported hardly any trading during last two years on the Stock Exchanges of Delhi. Now it is widely known that Delhi Stock Exchange had negligible trading in the last year and our company was no exception. Members are getting no benefit from the listing of equity shares on these stock exchanges but at the same time Company has to bear burdensome compliance and listing fee each year. With the wide and extensive networking of centers of BSE the investors have access to on-line dealings in the Company's Securities across the Country. Thus the delisting of company's shares from Delhi Stock Exchange in no way prejudices the interest of shareholders. In the light of the new SEBI (Delisting of securities Guidelines 2003) Guidelines your Directors intend to seek your approval for delisting of shares from Delhi Stock Exchange.

Your Directors recommend passing of the resolution.

None of the Directors is interested in this resolution.

**By order of the Board  
For UNITED LEASING & INDUSTRIES LTD.**

**PLACE : New Delhi  
DATE : 26th June, 2003**

**Sd/-  
ANIL KUMAR KHANNA  
Director**

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING AGM**  
(In pursuance to clause 49 of the Listing Agreement)

Name of the Director:	Anil Kumar Khanna
Date of Appointment:	13.01.1983
Date of Birth:	17.07.1953
Experience in specific functional areas:	Vast experience in the field of finance, Taxation, audit, and business management
Qualification:	B.A(H) , F.C.A, F.C.A (E&W)
Directorship in other public ltd. Companies	Telecom Finance (India) Ltd. Hi-Tech Gears Limited Syndicate Bank
Member/ Chairman of the Committee of the Board of the Public limited Companies on which he is director:	<u>Audit Committee</u> Telecom Finance (India) Ltd. United Leasing & Industries Ltd. Hi-Tech Gears Limited
	<u>Remuneration Committee</u> Nil
	<u>Shareholders/Investors committee</u> United Leasing & Industries Ltd. Hi-Tech Gears Limited Syndicate Bank

**UNITED LEASING & INDUSTRIES LIMITED****DIRECTORS' REPORT INCLUDING MANAGEMENT DISCUSSION & ANALYSIS**

We present the 19<sup>th</sup> Annual report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2003.

**FINANCIAL RESULTS**

The financial results of the Company for the year ended 31<sup>st</sup> March, 2003 are as follows:-

	<b>Current Year Ended 31.3.03 Rs. in lacs</b>	<b>Previous Year ended 31.3.02 Rs. in lacs</b>
<b>Total Income</b>	266.68	327.66
Operating Expenses	151.60	116.24
Profit before Interest Depreciation & Tax	115.08	211.42
Financial Expenses	41.35	64.23
<b>Profit before depreciation &amp; Taxation</b>	73.73	147.19
Less:		
Depreciation	69.09	162.48
Preliminary and Capital issue/ Misc. Expenditure written off	Nil	0.89
Provision for taxation	0.35	Nil
<b>Profit after tax</b>	4.29	(16.18)
Balance Brought Forward	88.62	104.80
Proposed Dividend	Nil	Nil
Balance Carried Forward	92.91	88.62

**UNITED LEASING & INDUSTRIES LIMITED****OPERATIONS**

The turnover for the current financial year is Rs. 266.68 lacs as compared to Rs. 327.66 lacs in the previous year. In fact, the embroidery turnover has increased from Rs. 96.86 lacs to Rs. 207.83 lacs in the current financial year.

Further, the company earned modest cash profits of Rs. 73.73 lacs, and net profit of Rs. 4.64 lacs.

We could curtail our costs, and the major expense to sales ratios have improved as follows, as compared to the previous year :

	31.03.2003	31.03.2002
Manufacturing costs to embroidery turnover	50 %	62 %
Administrative expenses to embroidery turnover	7 %	32 %
Interest costs to embroidery turnover *	20%	66 %

\*\* excluding other income

With the continued support of our customers, bankers, depositors and shareholders, we hope that the company should be able to turn around in the coming years, and honour its financial commitments to various stakeholders.

**DIVIDEND**

The Company is unable to pay dividend this year, since the company has utilised its cash accruals for repayments of secured loans from Punjab National Bank.

**DEPOSITS**

The total public deposits as on 31<sup>st</sup> March 2003 were Rs.188.15 lacs.

**MANAGEMENT DISCUSSION & ANALYSIS****INDUSTRY SCENARIO**

The embroidery industry is dependent on the growth of exports of garments and made ups, etc. The embroidery serves as the major value addition factor for manufacturing garments and made ups.

The management continued to concentrate more on exporters' embroidery orders.

**UNITED LEASING & INDUSTRIES LIMITED****OPPORTUNITIES AND THREATS****Opportunities**

There is tremendous potential for the growth of textile industry, and for textile embroidery industry also. The textile industry provides huge employment to the Indian populace, and it also contributes substantial foreign exchange through exports of textile goods.

Due to India's extremely rich cultural heritage, it is very convenient for the designers to select innovative designs, from beautiful and colourful designs used in every day life in India. On fabrics front also India is very strong. Various types of fabrics like georgettes, Moss crepe, cottons, cotton lycra, jersey, etc are available at good prices. Further, there is no dearth of requisite talent in India.

There is complete value chain available in India. There is no dearth of excellent quality of raw materials—fabrics, yarns, and other inputs, unlike our neighboring countries like Bangladesh. Further, there are complete processing facilities available right from fabric processing to making / finishing the ready made garments and made ups.

**Threats, Risk / Concerns**

The garment exporters and other textile exporters have to prepare for the "Quota-free" regime. Like other industries, the textile embroidery business is also exposed to global competition, to deliver excellent quality goods at competitive prices.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Company has adequate internal control systems commensurate with its size and nature of its business.

**OUTLOOK**

Our company is gradually strengthening its position in the market, and shall attain better financial results in the years to come.

Furthermore, the management is exercising tight control on costs, to improve upon bottomlines.

**DIRECTORS**

Mr. Anil Kumar Khanna, Director of the Company, retires at the ensuing Annual General Meeting, pursuant to Clause 108 of the Articles of Association of the Company and being eligible offer himself for reappointment.

**STATUTORY INFORMATION****DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Sec.217 (2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts for the financial year ended 31.3.2003, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgements 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 or loss of the company for the year under review.
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;



**UNITED LEASING & INDUSTRIES LIMITED**

- (iv) that the Directors had prepared the accounts for the financial year ended 31.3.2003 on a 'going concern' basis.

**COMPOSITION OF AUDIT COMMITTEE**

The Audit Committee constituted by the Board of Directors consists of 3 non-executive directors viz. Mr. R.K Khanna, Mr. Anoop Kumar Khanna & Mr. Anil Kumar Khanna. Mr. R.K Khanna is the Chairman of the Committee. The terms of reference of the Audit Committee have been laid down by the Board at the meeting constituting the Committee, held on 31.1.2003.

**AUDITORS**

M/s R.S. Ahuja & Co. Chartered Accountants, Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

**PARTICULARS OF EMPLOYEES**

The Company had no employee during the year under review whose particulars are required to be given under Section 217(2A) of the Companies Act, 1956.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information as per Section 217(i) (e) read with Companies (Disclosure of the Particulars in the Report of the Board of Directors) Rule 1988:

Earnings by way of Exports	Nil
Outgo by way of import of machinery	Nil
Outgo by way of the Travelling Expenses	Nil

**CONSERVATION OF ENERGY**

Your industry is not power intensive one, but wherever possible, necessary conservation measures have been taken.

**TECHNOLOGY ABSORPTION**

The Company is successfully running its embroidery unit in Gurgaon comprising 2 computerized, high quality Embroidery Machines purchased from Saurer, Switzerland.

**ACKNOWLEDGEMENTS**

The Directors thanks and acknowledge the sustained help and support received by the Company from Banks, Depositors, and the Customers. The Directors place on record their appreciation for the dedicated services and contribution provided by the employees of the Company.

**For & on Behalf of the Board**

**Place: New Delhi**  
**Date: 26<sup>th</sup> June 2003**

**Sd/-**  
**R.K. KHANNA**  
**Chairman**