

22nd Annual Report

2005-06

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UNITED LEASING & INDUSTRIES LIMITED



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CHAIRMAN

Mr. Anil Kumar Khanna

DIRECTORS

Col. R. M. Sharma (Retd.)
Col. D. P. Khanna (Retd.)
Mr. Kapil Dutta

COMPANY SECRETARY

Mr. Sushil Kumar Tibrewal

STATUTORY AUDITORS

M/s R. S. Ahuja & Co.
Chartered Accountants
C-353, Defence Colony,
New Delhi-110024

REGISTERED & CORPORATE OFFICE

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

WORKS OFFICE

14 Kms., Gurgaon Pataudi Road, Village Jhund Sarai Veeran, Dist. Gurgaon, Haryana

REGISTRAR & SHARE TRANSFER AGENTS

In-time Spectrum Registry Ltd.
A-31, 3rd Floor, Near PVR Naraina,
Naraina Industrial Area,
Phase-I, New Delhi-110028
Phone: 011- 41410592-93-94
Fax : 011- 41410591

Annual General Meeting on Friday 29th of September 2006 at Company's Works premises at 14 Kms., Gurgaon Pataudi Road, Village Jhund Sarai Veeran, Dist. Gurgaon, Haryana at 1.00 P.M.

PLEASE NOTE:

1. No gifts/ gift coupons/ company products will be given at the Annual General Meeting.
2. No attendance slip will be issued at the AGM venue.
3. Please bring your copy of Annual Report at the AGM.



NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE 22nd ANNUAL GENERAL MEETING OF THE MEMBERS OF UNITED LEASING & INDUSTRIES LIMITED WILL BE HELD ON 29th DAY OF SEPTEMBER, 2006 AT THE WORKS PREMISES OF THE COMPANY AT 14 KM, VILLAGE JHUND SARAI VEERAN, GURGAON PATAUDI ROAD, GURGAON, HARYANA AT 1.00 P.M. TO TRANSACT THE FOLLOWING BUSINESS:

A. ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2006 and the Profit & Loss account for the year ended on that date, together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Col. R.M. Sharma (Retd.) who retires by rotation and being eligible offers himself for re-appointment.
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, offers themselves for re-appointment.

By order of the Board
For United Leasing & Industries Limited

Date : 29/07/2006
Place: New Delhi

(Sushil Kumar Tibrewal)
Company Secretary



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 Monday 25th September 2006 to Friday 29th September 2006 (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 Regd. Office at least 10 days before the date of the meeting so that information can be made available at the meeting.
- iv) Bring their copy of the Annual Report at the meeting.

**By order of the Board
For United Leasing & Industries Limited**

**Date : 29/07/2006
Place: New Delhi**

**(Sushil Kumar Tibrewal)
Company Secretary**



Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting

(In pursuance of Clause 49 of the Listing agreement)

Name of the Director	Col. R. M. Sharma (Retd.)
Date of Appointment	25-05-05
Date of Birth	06-04-44
Nature of his experience in specific functional areas	Vast experience in Finance & Administration
Qualification	Msc, MBA (Finance)
Directorship in other public Ltd. Companies	NIL
Membership/Chairmanship in committees of the Board of other public Ltd. Companies	NIL

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DIRECTORS' REPORT

The Board of directors present the 22nd Annual Report together with the Audited accounts of the Company for the year ended on 31st March, 2006.

FINANCIAL RESULTS

The financial results of the Company for the year ended 31st March, 2006 are as follows:

Particulars	Current Year ended 31.03.06 (Rs. in lacs)	Previous Year ended 31.03.05 (Rs. in lacs)
Total Income	178.92	172.72
Operating Expenses	115.84	105.43
Profit before Interest, Depreciation & Tax	63.08	67.29
Financial Expenses	36.52	41.20
Profit before Depreciation & Tax	26.56	26.09
Depreciation	21.95	21.74
Provision for Taxation	0.36	0.34
Provision for F. B. T.	0.39	Nil
Profit after Tax	3.86	4.01
Balance Brought Forward	48.39	44.38
Balance Carried forward	52.25	48.39

OPERATIONS

During the year the company made a Cash Profit of Rs. 26.56 lacs and Net Profit after depreciation of Rs. 3.86 lacs. After settlement of liabilities of all Bankers and Financial Institutions, the company is now going through a process of consolidation and will take up further expansion of business after due consideration.

DIVIDEND

Company has not declared any dividend this year.

DEPOSITS

Total public deposits as on 31st March 2006 were Rs. 192.06 lacs.

MANAGEMENT DISCUSSION & ANALYSIS

INDUSTRY SCENARIO

The Indian Textile Industry is one of the largest industries after agriculture. It provides direct employment to about 350 Lacs people. Besides this, there are large number of ancillary industries which are dependent upon this sector such as manufacturing of machines, embroidery of garments, accessories and other ancillary items. The company's main emphasis is to concentrate on the exporters' embroidery orders. The embroidery serves as the major value addition factor for manufacturing garments and made ups.

OPPORTUNITIES

With announcement in the Union Budget 2005-06 to strengthen the Indian Textile Industry for meeting the growing global competition, with liberalization of FDI Policy with Foreign Equity participation of 100 % through automatic route, reduction in the



excise & custom duties and allocation of more funds under the TUF scheme, with the Indian textile industry being the second largest provider of employment, it also contributes to 4% of GDP and 21 % of the total export earnings and further the textile industry is expected to increase the capacity utilization and it is expected that by 2010 the textile exports are likely to reach US \$ 50 billion, with the initiative made by Government of India and encouraging export scenario, the industry shows all the positive signs of development. In order to achieve the desired growth the indian companies are stressing more on the quality and to make their process more efficient in order to improve capacity utilization and improve margins.

There is complete value chain available in India .There is no dearth of excellent quality of raw materials- fabric ,yarns and other inputs .Further there are complete processing facilities available right from fabric processing to making/finishing the ready made garments.

OUTLOOK

With the increasing acceptance of our fabrics and garments in the US and the European Union, there are good signs for further exports of goods in this sector. Our company is mainly targeting the exporters catering to this market and also exploring the markets of Middle East & African countries. The company during the year is also working to increase the capacity utilization by at least 5-10 % .

THREATS, RISK AND CONCERNS

Like any other industries the textile embroidery business is exposed to competition from other developing countries to deliver goods at competitive price at low cost .

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Company has implemented proper and adequate internal Control systems based on the clearly defined roles and responsibilities across all Levels .The company regularly monitors the compliance of laid down standards both at the divisional and corporate level that form the foundation of Internal control process.

DIRECTORS

Col. R.M. Sharma (Retd.), 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 offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the annual accounts, the applicable accounting standards had 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 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 or loss of the company for that period;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts on a going concern basis.



CONSERVATION OF ENERGY

The Company does not belong to the category of power intensive industries and hence consumption of power is not significant. However, the management is aware of the importance of conservation of energy and also reviews from time to time the measures taken / to be taken for reduction of consumption of energy.

TECHNOLOGY ABSORPTION

The company is running successfully its embroidery unit in Gurgaon comprising 2 computerised, high quality embroidery machines purchased from Saurer, Switzerland.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange earned	: Rs. 15,47,114/-
Total Foreign exchange used	: Rs. Nil

PARTICULARS OF EMPLOYEES

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

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.

ACKNOWLEDGEMENTS

Yours Directors take the opportunity to express their gratitude for the assistance and continued cooperation extended by Banks, Depositors and Customers. Your Directors also wish to thank the shareholders for their confidence in the Company and express their deep appreciation for the devoted and sincere services rendered by all the employees of the Company at all levels.

Place : New Delhi

Date : 31/05/2006

FOR AND ON BEHALF OF THE BOARD

(Anil K. Khanna)
Chairman



Auditors' Certificate on Corporate Governance

To the members of United Leasing & Industries Limited

We have examined the compliance of conditions of the Corporate Governance by the United Leasing & Industries Ltd. for the year ended on 31st March, 2006, as stipulated in clause 49 of the Listing agreement of the said company with the Stock Exchanges.

The compliance of the conditions of the Corporate Governance is the responsibility of the management. Our examination has been limited to the review of the procedures and the implementation thereof adopted by the company for ensuring the compliance with the conditions of the certificate of Corporate Governance stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in clause 49 of the above mentioned Listing agreement.

We state that no investor grievance is pending for a period exceeding one month against the company as per the record maintained by the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : New Delhi
Date : 31.05.2006



FOR R. S. AHUJA & CO.
Chartered Accountants

(R.S. Ahuja)
Partner