

13TH ANNUAL REPORT 2010-2011



***Uniroyal***  
***Industries Limited***



## BOARD OF DIRECTORS

Shri Arvind Mahajan	Managing Director
Smt. Rashmi Mahajan	Executive Director
Shri Akhil Mahajan	Executive Director
Shri Abhay Mahajan	Executive Director
Shri K.K. Malik	Director
Shri Pradeep Aggarwal	Director
Shri Anirudh Khullar	Director
Shri Sushil Gupta	Director

### AUDITOR

A G P R S & ASSOCIATES  
Chartered Accountants  
2, Malviya Enclave,  
Adjoining Siti Cable Office,  
M.M. Malviya Road, Amritsar  
Tel. : 0183-2228415

### REGISTERED OFFICE CUM FACTORY

Plot No. 365, Phase-II,  
Industrial Estate,  
Panchkula - 134 113,  
Haryana  
Tel : 0172-2593592, 5066531-34  
Fax : 0172-2591837

### SHARE TRANSFER AGENTS CUM DEMAT REGISTRAR

LINK INTIME INDIA PRIVATE LTD.  
A-40, 2nd Floor, Near Batra Banquet Hall,  
Naraina Industrial Area, Phase-II,  
New Delhi-110 028

### BANKERS

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

## **ANNUAL GENERAL MEETING NOTICE**

Notice is hereby given that the 18th Annual General Meeting of the members of M/s Uniroyal Industries Limited will be held on Wednesday, 28th September, 2011 at 10.00 a.m. at Hotel Parbhat 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 31<sup>st</sup> March, 2011 and the Profit & Loss Account for the financial year ended on that date and the Report of Board of Directors and Auditors' thereon.
2. To appoint a director in place of Mrs. Rashmi Mahajan who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a director in place of Mr. Sushil Gupta who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the company and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modifications the following resolution as an **Ordinary Resolution**:  
"Resolved that M/s AGPRS & Associates, Chartered Accountants, be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the company at a remuneration to be fixed by the Board."

### **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. Akhil Mahajan as Executive Director of the company for a period of 3 years w.e.f. 1<sup>st</sup> September, 2011.

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



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

- A. Salary : Rs. 1,25,000/- (Rs. One Lac twenty five thousand only) per month.
- B. Medical : The company shall reimburse the medical expenses incurred for the appointee and his family.
- C. Club Fee : Fee of clubs subject to maximum of two clubs, including admission and life membership fees.
- D. Personal Accident Insurance : Premium not to exceed Rs. 10,000 per annum.
- E. Leave travel : First class air passage for self, Spouse, dependent children and dependent parents of the appointee once in a year.
- F. 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.
- G. 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.
- H. 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 above shall not exceed the limit of remuneration prescribed under para 1(B) 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. Akhil Mahajan will be paid the aforesaid remuneration as minimum remuneration."

Dated: 29<sup>th</sup> July, 2011  
Place: Panchkula

By order of the Board  
sd/-  
(Arvind Mahajan)  
Managing Director

**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 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 25th September, 2011 to 28th September, 2011 (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 AGPRS & 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 18th Annual General Meeting of the company. Being eligible they have offered themselves for re appointment.

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

**ITEM NO. 5.**

Mr. Akhil Mahajan is a director of the company and is looking after the finance department of the company. He had been appointed as Executive Director of the company for five years w.e.f. 1st September, 2006. His term of appointment is expiring on 31st August, 2011

The Remuneration Committee in its meeting held on 29<sup>th</sup> July, 2011 has recommended his re-appointment as Executive Director on the remuneration given in above proposed resolution. Following the recommendations of the Remuneration Committee, the Board of Directors in its meeting dated 29th July, 2011 has reappointed Mr. Akhil Mahajan as Executive Director of the company for another term of three years w.e.f. 1st September 2011.

Appointment has been made under para 1(B) of Section II of Part II of Schedule XIII to the Companies Act, 1956 because the Remuneration Committee has approved the appointment & payment of remuneration and the company has not committed any default in repayment of its debts or interest payable thereon.

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

Mr. Akhil Mahajan being himself the appointee, Mr. Arvind Mahajan being his father and Mrs. Rashmi Mahajan being his mother and Mr. Abhay Mahajan being his brother are interested in the proposed resolution. No other director is concerned or interested, in the proposed resolution.



## **REPORT ON CORPORATE GOVERNANCE**

(Pursuant to clause 49 of the Listing Agreement with the Stock Exchange)

### **(1) Company's Philosophy on Corporate Governance**

Your company believes that good Corporate Governance practices are crucial for enhancement and retention of stakeholders trust. Your Company has set out the required practice of Corporate Governance keeping in view the size, complexity and its traditional ethical values. The accountability, integrity and responsibilities in dealings with employees, shareholders, consumers and community at large are of utmost importance. The Company believes to achieve the global standards of corporate conduct towards all stakeholders, which needs to be better managed and governed and to align its activities with national interest. The culture of transparency, new development capabilities, identifying opportunities for value creation have been embedded in each and every employee of the company.

The company has adhered to the underlying principles of Corporate Governance and has made compliance with the corporate governance as an integral part of its day to day operations. The company believes in enhancing overall shareholders' wealth over a sustained period of time.

### **(2) Board of Directors**

#### **(a) Composition and category of Directors:**

The existing strength of Board of Directors is four (4) whole time Directors including Managing Director and four (4) non executive Independent directors. The Executive Chairman of the Board of directors is a promoter Director. None of the non executive directors have any material pecuniary relationship or transactions with the company.

The Directors on the Board are experienced and competent persons from their respective fields. The independent Directors take active part in the Board and Committee Meeting which add value to the decision making process of the Board.

The composition of the Board of Director is in conformity with the Corporate Governance requirements.

#### **(b) Attendance of Directors:**

During the year 2010-11, the Company has held 7 Board Meetings as on 20<sup>th</sup> April 2010, 28<sup>th</sup> May, 2010, 30<sup>th</sup> July 2010, 8<sup>th</sup> October, 2010, 29<sup>th</sup> October 2010, 29<sup>th</sup> January 2011 and 31<sup>st</sup> March, 2011. The following table gives details of Directors, attendance of directors at the Board Meetings and at the last annual general meeting, the number of membership held by the directors in the Board/ committees of various companies.

Name of the Director	Category	Attendance Particulars		No. of other Directorship and Committee member/Chairmanship holding including UIL & other public limited companies			Share holding as on 31.03.11
		Board Meetings	Last AGM	Other Director Ship	Committee Member Ship	Committee Chairman Ship	Numbers (%Age)
Sh. Arvind Mahajan	E-NI (M.D)	6	Yes	3	1	-	1692889(20.47%)
Smt. Rashmi Mahajan	E-NI	6	Yes	1	1	-	408469(4.94%)
Sh. Akhil Mahajan	E-NI	7	Yes	3	1	-	390125(4.72%)
Sh. Abhay Mahajan	E-NI	7	Yes	1	-	-	452770(5.48%)
Sh. P. C. Mahajan Retired w.e.f. 5-7-10	NE-NI	1	No	-	-	-	NIL
Sh. Sanjiv Kumar Retired w.e.f. 23-7-10	NE-I	-	No	6	-	-	NIL
Sh. K. K. Malik	NE-I	2	No	-	-	-	NIL
Sh. Anirudh Khullar	NE-I	5	Yes	-	-	3	500(0.006%)
Sh. Sushil Gupta	NE-I	5	No	1	2	-	NIL
Sh. Pardeep Aggarwal	NE-I	-	No	-	2	-	3000(0.036%)

NE: Non Executive; NI-Non –Independent; M.D- Managing Director; E: Executive I-Independent

### (C ) Particulars of the Directors seeking Appointment/Reappointment at the forthcoming Annual General Meeting

Mrs. Rashmi Mahajan and Mr. Sushil Gupta are directors liable to retire by rotation. Being eligible they have offered themselves for re-appointment. The Board of Directors have recommended their re-appointment as Directors of the company.

Mr. Akhil Mahajan was re-appointed as Executive Director of the company w.e.f. 01.09.2011 in the Board Meeting held on 29.07.2011. His appointment is subject to the approval of the shareholders by way of Special Resolution in the Annual General Meeting. The same is therefore being placed before the shareholders in the forthcoming Annual General Meeting.

### (3). Audit Committee

#### (a) Brief description of terms of reference

The Broad approved terms of reference to the Audit Committee include all the matters provided in revised clause 49 of the Listing Agreement and section 292A of the Companies Act 1956 which inter alia includes;

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.



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2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of external auditor, fixation of audit fee.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management the annual financial statements before submission to the board for approval with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in Board's report in terms of clause (2AA) of section 217 of the company Act, 1956
  - b) Change, if any, in accounting policies and practices and reason for the same
  - c) Major accounting entries involving estimates based on the exercise of judgment by Management.
  - d) Significant adjustments made in the financial statement arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Qualification in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing with the Management, performance of statutory and internal auditors, adequacy of internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors of any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matter where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audits as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same in existing.
13. Reviewing the company's risk management policy
14. Reviewing any changes in the accounting policies or practices as compared to the last completed financial year and commenting on any deviation from the accounting standards.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The audit Committee is empowered pursuant to its terms of reference to:

1. Investigate any activity within its terms of reference and to seek any information it requires from any employee
2. Obtain legal or other independent legal advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

## (b) Composition of Committee

An Audit Committee was constituted by the Board comprising three Independent and non- Executive Directors: During the financial year ended 31<sup>st</sup> March, 2011, the Audit Committee met 5 times on 5<sup>th</sup> April 2010; 28<sup>th</sup> May 2010 ; 30<sup>th</sup> July 2010, 29<sup>th</sup> October, 2010 and 29<sup>th</sup> January, 2011. Attendance was as under:

Name of Members	Category	Status	Number of meetings attended
Sh. Anirudh khullar	NE-I	Chairman	5
Sh. Sushil Gupta	NE-I	Director	5
Sh. Pardeep Aggarwal	NE-I	Director	-



#### **(4) Remuneration Committee:**

This is a non-mandatory requirement of clause 49 of the listing agreement. The Board has however formed a remuneration committee in terms of Schedule XIII to the Companies Act, 1956. The Broad terms of reference of the Remuneration committee include all the matters provided in Schedule XIII to the Companies Act 1956 which inter alia includes approval of remuneration of Managing Director, Executive Directors after taking into account the financial position of the company.

The remuneration committee determines, on behalf of the board and shareholders, as per agreed terms of reference, the company's policy on specific remuneration packages for Executive Directors. The Remuneration Committee has the power to determine and recommend to the Board the amount of remuneration including performance based incentive and perquisites payable to Executive Directors. The Committee ensures that the remuneration by way of salary and other allowances and monetary value of the perquisites is within the overall limit as specified under the Companies act, 1956.

The Remuneration committee comprises of three members viz: Sh. Anirudh Khullar- Chairman, Sh. Sushil Gupta and Sh. Pradeep Aggarwal as members. All the three members are Independent and Non-Executive Directors. During the financial year 2010-11, no meeting of the remuneration committee was held.

#### **Details of Remuneration paid**

##### **I. Executive Directors:**

<b>Name</b>	<b>Salary/ Commission/ Bonus</b>	<b>Perquisites</b>	<b>Provident Fund/ Retirement Benefits</b>	<b>Appointed as Executive Director from</b>
Mr. Arvind Mahajan	2803499	101081	NIL	20.04.2009
Smt. Rashmi Mahajan	1243499	1067874	NIL	01.04.2010
Mr. Akhil Mahajan	1466498	160961	NIL	01.09.2006
Mr. Abhay Mahajan	1336498	49544	NIL	02.04.2007

##### **II. Non-executive Directors:**

The company has not paid sitting fees for attending the Board/ Committee meetings to Non-executive Directors.

#### **(5) Share Transfer cum Investors Grievance Committee**

Your company has a Share Transfer cum Investors Grievance Committee to look into the redressal of shareholders and investors grievances/complaints under the Chairmanship of Sh. Anirudh Khullar, Non Executive director of the company along with other 3 members Smt Rashmi Mahajan, Sh Arvind Mahajan and Sh. Akhil Mahajan.

The terms of reference of the Committee are under:

1. To approve the transfer/transmission of the securities of the company and oversee and review all matters connected with the transfer/transmission of the securities of the company.
2. To issue new certificates of securities of the company on split up or consolidation and issue of duplicate certificates of securities of the company against lost/torn/mutilated certificates etc.
3. To issue new certificates of securities in case of change in denomination of the securities of the company.
4. To decide on any matters relating to the securities of the company whether in physical or dematerialized form.
5. To formulate and implement the Company's code of conduct for prohibition of Insider trading in pursuance of SEBI (Prohibition of Insider Trading) regulations, 1992 and review and monitor its compliance.
6. To appoint and/or remove Compliance Officer of the company for complying with the requirements of the SEBI (Prohibition of Insider Trading) regulations and the Listing agreements entered into with various Stock Exchanges.
7. To appoint and/or remove the Registrar and Transfer Agent of the company and for that purpose to authorize any officer of the company to enter into Tripartite Agreement with the Registrar and Transfer Agent and depositories.
8. To review the performance of the Registrars and Transfer agents and recommend measures for improvement in quality of investor service.



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9. To look into the redressal of shareholders and investor complaints of any nature including but not limited to the following:
- Transfer of Securities.
  - Non receipt of Balance Sheet.
  - Non receipt of declared dividend.
  - Change of address of shareholders.
  - Non receipt of shares in Physical or dematerialized form.
  - Shareholders complaints of other nature forwarded to the company by the stock Exchanges /SEBI.
  - Correction/change of in bank mandate on refund orders.
  - Other complaints of similar nature received from shareholders.
10. Any other matter to be delegated under any applicable law or regulation or rules applicable to the company.
11. To delegate all or any of the powers mentioned above to any officer of the company and/or to the registrar and Share Transfer Agents appointed by the company.

The share transfer committee considers share transfer approvals once in a fortnight. However since there were no transfers in some of the fortnights, Seventeen meetings of the Share Transfer Cum Investor Committee were held during the year. All the complaints received during the financial year under review were duly redressed to the complete satisfaction of the respective shareholders expeditiously. As on 31<sup>st</sup> March, 2011, no complaint was pending for redressal and no shares were pending for transfer/dematerialization.

Name of Director	Category	Status	No. of Meetings attended
Mr. Anirudh Khullar	NE-I	Chairman	17
Mr. Akhil Mahajan	E-NI	Member	16
Mr. Arvind Mahajan	E	Member	12
Mrs. Rashmi Mahajan	E	Member	14

## (6) Code of conduct

The Board of Directors has laid down a Code of Conduct for all the Board members and senior management personnel of the company which is widely circulated amongst members of the Board and senior management personnel. The members of the Board and senior management personnel have affirmed compliance of the said code of conduct. A declaration signed by the chairman is attached herewith.

## (7) Management Discussion & Analysis Report

The Management Discussion & Analysis Report (MD & A) forms part of the Annual Report.

## (8) General Body Meetings :

(a) The last three Annual General Meetings were held as under:-

Year	Location	Time	Date
2007-08	Hotel Parbhat Inn, Sector 10, Panchkula, Haryana.	10.00 a.m.	30.09.2008
2008-09	Hotel Parbhat Inn, Sector 10, Panchkula, Haryana.	10.00 a.m.	30.09.2009
2009-10	Hotel Parbhat Inn, Sector 10, Panchkula, Haryana.	10.00 a.m.	30.09.2010

(b) There was no special resolution required to be approved by way of postal ballot in respect of any subject placed before the shareholders in the last Annual General Meeting. All the resolutions passed in the General Meeting were passed through show of hands.

**(9) Disclosures:**

- a) Disclosures on related party transactions are given as per Para 13 of Schedule 'U' Notes of Accounts to Balance sheet. The company has entered into transactions with inter related parties for sale & purchases of materials. The terms & conditions and prices at which these transactions were made are reasonable having regard to prevailing market prices at the relevant times. Adequate care was taken to ensure that the potential conflict of interests did not harm the interests of the Company at large.
- b) No penalty of strictures has been imposed on the company by the stock exchanges or SEBI or any statutory authority on any matter related to capital market, for non-compliance by the company during the last three years.
- c) The company has established a mechanism for employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. This mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit committee in exceptional cases. No person has been denied access to the Audit committee during the year under report.
- d) The company has complied with all mandatory requirements laid down by the clauses 49. The non-mandatory requirements complied with have been disclosed at the relevant places.

**(10) Means of Communication:**

- The annual, half-yearly and quarterly results are submitted to the stock exchanges immediately after these are taken on record by the Board in accordance with the Listing Agreement and normally published in newspapers like Business Standard (English) & Business Standard (Hindi).
- Management Discussion & Analysis forms a part of Annual Report.

**(11) General Shareholder Information:**

- (a) **18<sup>th</sup> Annual General Meeting to be held on 28<sup>th</sup> September, 2011**
- (b) **Financial Calander (Tentative)**

S No.	Particulars	Date
1	Financial year ending	31st March 2012
2	1st Quarter Results	On or before 15th August, 2011
3	2nd Quarter Results and half yearly results	On or before 15th November, 2011
4	3rd Quarter Results	On or before 15th February, 2012
5	4th Quarter Results	On or before 15th May, 2012
6	AGM for the period ending 31.03.2012	On or before 30th September, 2012

- (c) **Date of Book Closure :**  
From 25<sup>th</sup> September, 2011 to 28<sup>th</sup> September, 2011 (Both days inclusive)
- (d) **Dividend payment date :**  
Due to deployment of funds in the business operations of the Company no dividend was recommended by the Board of Directors of the company.
- (e) **Listing at Stock Exchanges:** The Stock Exchange, Mumbai,  
The Delhi Stock Exchange Assn. Ltd.
- (f) **Stock Code**  
BSE Code 521226  
ISIN number for NSDL/ CDSL NE 980D01019



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## (g) Market Price Data and Comparison to broad based indices:

MONTH	MARKET PRICE (RS.)		BSE INDEX	
	High	Low	High	Low
April, 2010	6.68	4.70	18047.86	17286.80
May, 2010	7.60	5.40	17536.86	15960.15
June, 2010	6.75	5.60	17919.62	16318.39
July, 2010	11.11	6.01	18237.56	17395.58
August, 2010	10.01	7.80	18475.27	17819.99
September, 2010	11.50	7.90	20267.98	18027.12
October, 2010	13.00	9.50	20854.55	19768.96
November, 2010	12.50	8.10	21108.64	18954.82
December, 2010	9.80	8.00	20552.03	19074.57
January, 2011	8.80	6.20	20664.80	18038.48
February, 2011	8.30	5.30	18690.97	17295.62
March, 2011	7.15	5.27	19575.16	17792.17

## (h) Registrar & Transfer Agents:

M/s Link Intime India Private Ltd.  
A-40, 2<sup>nd</sup> Floor, Near Batra Banquet Hall,  
Naraina Industrial Area, Phase -II,  
New Delhi-110028

## (i) Share Transfer System:

The Company has appointed M/s Link Intime India Private Ltd. as share transfer agents for handling the share registry work in both the physical and demat segments. The Share Transfer cum Investors Grievance Committee of the Company approves the transfer of shares on fortnightly basis and share certificates are dispatched within a period of 30 days from the date of receipt, if the documents are found complete in all respects.

## (j) Distribution of Shareholding:

### (a) Distribution of equity Shareholding as on 31.03.2011 is as below:

Shareholding of Nominal value (Rs.)	No. of Shareholders	%	No. of Shares	%
Upto 2500	6524	80.513	703179	8.504
2501-5000	660	8.145	280437	3.392
5001-10000	458	5.652	402565	4.869
10001-20000	216	2.666	349246	4.224
20001-30000	71	0.876	191781	2.319
30001-40000	40	0.494	142534	1.724
40001-50000	25	0.309	120265	1.454
50001-100000	57	0.703	422412	5.109
100001 & above	52	0.642	5656301	65.406
<b>Total</b>	<b>8103</b>	<b>100.00</b>	<b>8268720</b>	<b>100.00</b>

(b) Pattern of Shareholding as on 31.03.2011 is given below:

Category of Shareholders	No. of Shares Held	%
Promoters	3348728	40.50
Financial Institutions, Bank and Mutual funds	4000	0.05
Private Bodies Corporate	1636870	19.80
NRIs, Foreign Nationals, OCBs, And FIIs	131047	1.58
Indian Public	3148075	38.07
Total	8268720	100.00

(k) Dematerialisation of Shares & Liquidity:

The shares of the company are in compulsory demat segment and are available for trading in the depository system of both National Securities Depository Limited and Central Depository Services (India) limited. As on 31<sup>st</sup> March, 2011, 42,38,770 equity shares of the company forming 51.26 percent of the share capital of the company, stand dematerialized.

(l) The Company has never issued any GDRs/ADRs or warrants or any other Convertible instruments.

(m) Location of Plant: 365, Industrial Estate, Phase II  
Panchkula (Haryana)-134113

(n) Address for Correspondence: 365, Industrial Estate, Phase II  
Panchkula (Haryana)-134113

## 12. Compliance Certificate from Auditors of the Company:

To,  
The Members of Uniroyal Industries Limited,

We have examined the compliance of conditions of Corporate Governance by M/s Uniroyal Industries Limited for the year ended on 31<sup>st</sup> March, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of the Corporate Governance is the responsibility of the management. Our Examination was limited to review procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of the Corporate Governance. 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 by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned clause 49 of the Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per record maintained by the Share Transfer cum 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: Panchkula  
Date: 30<sup>th</sup> May, 2011

For A G P R S & Associates  
Chartered Accountants  
Sd/-  
(Atul Seth)  
Partner  
Firm Regn. No. 006943N



# UNIROYAL INDUSTRIES LIMITED

## 13. Declaration under Clause 49 I(D)

To,  
The Members of M/s Uniroyal Industries Limited,

As per requirement of clause 49 of the Listing agreement with the Stock Exchanges, the company has laid down a code of conduct for its board of directors and senior management.

I, Arvind Mahajan, Managing Director of the company confirm compliance of the code of conduct by myself and other members of the Board of Directors and Senior management Personnel as affirmed by them individually in respect of the financial year 2010-11.

Place: Panchkula  
Date: 30<sup>th</sup> May, 2011

For Uniroyal Industries Limited  
Sd/-  
(Arvind Mahajan)  
Managing Director

## 14. Compliance Certificate

To

The Board of Directors

Uniroyal Industries Limited

I, Arvind Mahajan, Managing Director certify that:

- (a) I have reviewed financial statements and the cash flow statement for the year ended March 31<sup>st</sup>, 2011 and that to the best of my knowledge and belief;
- (i) These statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
- (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standard, applicable laws and regulations.
- (b) There are to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and Audit Committee that there has been:
  - (i) No change in internal controls during the year;
  - (ii) No change in accounting policies during the year
  - (iii) No instance of fraud of which I have become aware of and/or the involvement therein of any of the management or any employee of the company.

Place: Panchkula  
Date: 30<sup>th</sup> May, 2011

For Uniroyal Industries Limited  
Sd/-  
(Arvind Mahajan)  
Managing Director

## **Management Discussion and Analysis**

### **❖ About the company:**

Uniroyal Industries Limited is a company in the Textile sector that focuses on Indigenous as well as foreign markets. The Company is engaged in the business of manufacturing of computerized Woven Labels and Narrow Fabrics in "Taffeta" & "Satin" weaves, printed labels and plastic seals. The company meets the demands of garment manufacturers and exporters, furnishing industry, shoe industry and toy industry. It has a good number of customers in India and abroad.

### **❖ Industry Structure and development:**

The woven labels manufacturing units are capital intensive and has low sales to fixed capital assets ratio. Most of the units in this Industry are small in size and are closely held. Product is classified as accessories of apparel manufacturing. Textiles contribute 37% of the country's gross export earnings in foreign exchange and 4% to the GDP of India. With globalization there has been a tremendous increase in demand of branded ready made garments. This has resulted into host of opportunities for the Indian textile and garment industry. The competition has multiplied and risk factor also increased. With a combination of factors like inherent strength to deal with competition, positive govt. support, lowering of costs and reforms in duties and labor laws all contributes for boosting exports that will help the company to enhance its value and increase the profits in the years to come.

### **❖ Opportunities and out look:**

Your company is dependent on readymade and fashion garment industry. The market trend of readymade and fashion garment is changing every year. Elimination of quota from textile sector leads to an increase in exports thereby increasing the opportunities for the Company. The export of garments from India has increased tremendously as a result of increased demand for Indian garments in the foreign markets. The shoe and toy industry is also playing a marvelous role in increasing the sale of the company's products. As the demand for the fashion/readymade garments, shoes and toys increases year after year, your company with the latest third generation state of the art imported international label-manufacturing machine in place, is able to reap the benefits of growing markets in India and abroad.

### **❖ Threats, Risks and concerns:**

The major threat to the company's business is the existence of large number of conventional looms in the unorganized sector, which produce low quality labels. Being cheap in cost, they cause strain on the marketing and pricing policy of the Company. Increase in interest rate worldwide, chances of slow down of the world economy, Fluctuations in national and international market, increasing cost of debt collection and bad debts are main risk and concerns to the company in its smooth functioning.

### **❖ Internal Control Systems and their adequacy:**

The company has effective system of accounting and administrative controls which ensures that all assets are safeguarded and protected against loss from unauthorized use or disposition. The Company has well defined organizational structure with clear functional authority limits for approvals of all transactions. The company has strong reporting system, which evaluate and forewarns the management on issues related to compliances. The performance of the company is regularly reviewed by the Board of Directors to ensure that it is precise keeping with the overall corporate policy and in line with pre-set objectives.

### **❖ Discussion on financial performance with respect to operational performance:**

Already discussed in Directors' Report.

### **❖ Human Resources/ Industrial Relations:**

The company has a well-designed Human Resource Policy, which is capable to meet the aspiration of the employees as well as the organisation. Continuous training and other development programmes are conducted round the year. The company treats the people as the most valuable asset and has a structured system of performance appraisal and career development.



# UNIROYAL INDUSTRIES LIMITED

## DIRECTORS' REPORT

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

To  
The Members  
Uniroyal Industries Limited,

Your directors are pleased to present 18<sup>th</sup> Annual Report on the business and audited accounts of the company for the Financial Year ended 31<sup>st</sup> March, 2011.

### FINANCIAL RESULTS

The financial performance of the company for the year ended March 31, 2001 is summarized below :

(Rs. In Lacs)

Particulars	Consolidated		Standalone	
	Financial Year	Financial Year	Financial Year	Financial Year
	Ended	Ended	Ended	Ended
	31.03.11	31.03.10	31.03.11	31.03.10
Sales/Income from operations	5094.92	3840.76	1313.85	1048.67
Other operating Income	96.03	160.93	95.19	154.38
Total Income	5190.95	4001.69	1409.04	1203.05
Total Expenditure	4713.00	3532.16	1011.28	793.81
Interest	166.00	118.96	106.06	72.59
Gross Profit after interest but before Depreciation & Tax	311.94	350.59	291.70	336.65
Depreciation	184.12	159.04	178.07	153.02
Profit Before Tax	127.82	191.55	113.63	183.63
Provision for Tax				
-Income Tax	30.82	34.12	26.98	32.51
-Tax Adjustments	(2.98)	1.18	(2.60)	0.94
-Deferred Tax Liability	3.22	(3.53)	2.62	(4.40)
Net Profit	96.76	159.78	86.63	154.59
Proposed Dividend	0.00	0.00	0.00	0.00
Carried to Balance Sheet	96.76	159.78	86.63	154.59
Paid up equity share capital	826.87	826.87	826.87	826.87
Reserves & Surplus	349.94	253.20	371.88	245.25

### REVIEW OF OPERATIONS

Total income from operations increased from Rs. 1203.05 lacs to Rs. 1409.04 lacs thereby registering an increase of 17.12%. Profit after tax remained at Rs. 86.63 lacs. Consolidated total income increased from Rs. 4001.69 lacs to Rs. 5190.95 lacs i.e. an increase of 29.72%.

Company implemented its expansion project with an outlay of Rs. 640 lac which became operational during the year. Company expects to do better both in terms of turnover and profitability in the current year.

### SUBSIDIARY COMPANIES AND JOINT VENTURES

The company has only one 100% subsidiary company and no subsidiary was added during the year. In accordance with the General Circular No. 2/2011 issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss account and other documents of the subsidiary company are not being attached with the balance Sheet of the company. However, the Annual Report contains the consolidated financial statements of the holding company and its subsidiary duly audited by the statutory auditors and the said financial statements have been prepared in strict compliance with applicable Accounting Standards and Listing Agreement. The consolidated Financial Statements presented by the company include financial results of the subsidiary company. A statement in respect of the subsidiary giving the details of capital, reserves, total assets and liabilities, details of investments, turnover, profit before taxation, provision of tax, profit after taxation and proposed dividend is attached to this report. The company will make available the Annual Accounts of the subsidiary company and other related information to any member of the company who is



interested in obtaining the same. The annual accounts of the subsidiary company are available for inspection at the registered office of the company and that of the respective subsidiary between 11.00 A.M to 1.00 P.M on all working days.

#### **CONSOLIDATED FINANCIAL STATEMENT**

In accordance with the Accounting Standard (AS-21), Consolidated Financial Statements are attached and form part of the Annual report.

#### **LISTING STATUS OF SHARES**

Shares of your company are listed on The Stock Exchange Mumbai and Delhi. Your company is regular in paying annual listing fees to the concerned stock exchanges. There was no change in Authorised/Paid up capital during the year.

#### **DIRECTORATE**

The Board consists of Executive and Non –executive Directors including independent Directors who have varied experience in different disciplines of corporate functioning

Mrs Rashmi Mahajan and Mr. Sushil Gupta 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 Mrs Rashmi Mahajan and Mr. Sushil Gupta as directors of the company liable to retire by rotation.

#### **AUDITORS AND AUDITOR'S REPORT**

M/s AG P R S & 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 18<sup>th</sup> Annual General Meeting of the company. Being eligible they have offered themselves for re appointment. The Board recommends their re appointment as auditors of the company for the financial year 2011-12.

The observations of the Auditors have been fully explained in notes to accounts "Schedule U".

#### **CORPORATE GOVERNANCE**

The report on corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is attached and forms part of the Annual report.

The requisite certificate from the Auditors of the company confirming compliance with the conditions of the Corporate Governance as stipulated under the aforesaid clause 49 is attached to this report.

#### **INTERNAL CONTROL SYSTEM**

The company's internal control system is commensurate to the size and nature of its business and it ensures:

Timely and accurate financial reporting in accordance with the applicable accounting standards;

Optimum utilization, efficient monitoring, timely maintenance and safety of assets;

Compliance with applicable laws, regulations, listing agreement and management policies;

Effective Management information system and review of other systems.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges is presented in a separate section forming part of the Annual report.



## **PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956.**

During the year under report, none of the employees was in receipt of remuneration exceeding the limits prescribed under section 217(2A) of the Companies Act 1956 read with Companies (Particulars of employees) Rules, 1975 as amended.

## **ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION**

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.

## **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.

## **PERSONNEL AND INDUSTRIAL RELATIONS**

The Industrial relations continued to be cordial. The Directors thank all the employees for their sincere efforts, active involvement and devoted services rendered at all levels.

## **ACKNOWLEDGEMENT**

Yours directors take this opportunity to thank the customers, business associates, banks, various statutory authorities, Central and State Governments for their consistent support and encouragement. Your directors also place on record their sincere appreciation for the dedication and committed services rendered by the employees at all levels. The Directors also express their sincere thanks to all the Shareholders for the continued support and trust they have reposed in the management.

**For and on behalf of the Board**

Sd/-

(Arvind Mahajan)  
Managing Director

Place : Panchkula  
Dated : 30th May, 2011

**ANNEXURE-A**

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

**A. POWER AND FUEL CONSUMPTION**

Particulars	Current Year 2010-11	Previous Year 2009-10
<b>1. Electricity</b>		
(a) Purchased Unit	1665120 Units	1122720 Units
Total Amount	Rs. 8768787	Rs. 52,59558
Rate/Unit	Rs. 5.27	Rs. 4.68
(b) Own Generation		
(i) Throgh Diesel Generator		
Unit	293440 Units	312480 Units
Units Per Ltr. of Diesel	2.80	2.80
Cost/Unit	Rs. 12.70	Rs. 11.26
(ii) Through Steam Turbine	NIL	NIL
<b>2. Coal (specify Quality and where used)</b>		
Quantity (Tonnes)	NIL	NIL
Total Cost	NIL	NIL
Average Rate	NIL	NIL
<b>3. Furnance Oil</b>		
Quantity (K.Ltr.)	NIL	NIL
Total Amount	NIL	NIL
Average Rate	NIL	NIL
<b>4. Others Internal Generation</b> (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 2010-11	Previous Year 2009-10
Production	Narrow Fabrics		
	/Woven Lables((in Pieces)	2170.17 lacs	1650.24 lacs
Electricity	None	9.02 Units/1000 pcs	8.70 Unit/1000 pcs
Furnance Oil	N.A.	N.A.	N.A.
Coal	N.A.	N.A.	N.A.
(Specify Quality)			
Others (Specify)	N.A.	N.A.	N.A.

**C. TECHNOLOGY ABSORPTION**

Not applicable because the company has neither entered into any collabration with the foreign or domestic company nor it has spent any amount on research and development.



# UNIROYAL INDUSTRIES LIMITED

## D. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to export, initiative taken to increase exports, development of new export markets for products and services and export plans.

The company is continuously exploring avenues to increase exports to different countries.

2. Total foreign exchange dealing

	<u>Current Year</u> 2010-11 (Rs.)	<u>Previous Year</u> 2009-10 (Rs.)
CIF value of imports/consumables	2044155	3027980
CIF value of imports/capital goods	33767972	NIL
Expenditure in foreign Currency	1586223	600341
Earning in foreign currency	11242382	1422891

\*\*\*\*\*

## **AUDITOR'S REPORT**

To

The Members,

Uniroyal Industries Limited.

We have audited the attached Balance Sheet of UNIROYAL INDUSTRIES LIMITED as at 31st March, 2011, the Profit and Loss Account of the company for the year ended on that date and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Sub-Section 4A of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in Paragraph 4 and 5 of the said order. On the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of our audit.  
Further to our comments in the annexure referred to above, we report that:
2. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
3. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of such books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
4. The Balance Sheet and the Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of accounts.
5. In our opinion, the Balance Sheet and the Profit and Loss Account and Cash Flow Statement referred to in this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956.
6. On the basis of the written representations received from the directors of the company as on March 31, 2011 and taken on record by the Board of Directors of the company, we report that none of the director is disqualified as on 31<sup>st</sup> March 2011 from being appointed as a director of the company under clause (g) of sub-section (1) of Section 274 of the Companies, 1956.
7. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss account read together with notes there on in Schedule 'U', give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
  - a) in so far as it relates to the Balance Sheet of the state of affairs of the Company as at 31st March, 2011 and
  - b) in so far as it relates to the Profit and Loss Account of the 'profits' of the Company for the year ended on that date.
  - c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Place : Panchkula

Dated: 30th May , 2011

**AGPRS & ASSOCIATES**  
**Chartered Accountants.**

**Sd/-**  
**Atul Seth**  
**Partner**  
**Firm Regn. No. 006943N**



# UNIROYAL INDUSTRIES LIMITED

## ANNEXURE

- Referred to in paragraph 1 of our report of even date.**
- (i) a) The company records showing full particulars including the quantitative details of Fixed Assets requires updation. There are some vehicles in name of erstwhile company i.e Sidhartha Textiles Mills Limited which was subsequently merged with the company. These vehicles have not yet been transferred in the name of company.
- b) As explained to us, the management has verified the major fixed assets of the company in a phased manner, designed to cover all assets over a period of three years, which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
- c) As per the information and explanations given to us no substantial part of the fixed assets have been disposed off during the year, which affect the ability of the company to continue as a going concern.
- (ii) a) The stock of Finished Goods, Stores, Spare Parts and Raw Material lying in the factory (other than stock in transit) have been Physically verified by the management during /at the year-end. In our opinion and according to information and explanations given to us the frequency of physical verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of the physical verification of stock followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us the company is maintaining proper records of its inventories and the discrepancies noticed on such physical verification between the physical and book stock were not material and have been adequately dealt with in the books of accounts.
- (iii) a) The company had accepted deposits from eleven persons covered in register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 320.85 lacs and the year end balance of loans taken from such parties was Rs. 304.42 lacs.
- b) In our opinion and according to the information and explanations given to us the rate of interest and other terms and conditions on which loans have been taken from / granted to companies firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not prime facie prejudicial to the interests of the company.
- c) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest. The parties have repaid the principal amounts as stipulated and have been regular in the payment of interest.
- d) As per the information and explanations given to us, there is no overdue loan amount taken from or granted to companies firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business

with regard to the purchases of Inventories, Fixed Assets and for the Sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal controls.

- (v) a) According to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered in the register maintained in pursuance of section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, there are transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 which are exceeding the value of Rs 5 lacs and these transactions have made at price which are reasonable having regard to the prevailing market price at the relevant time.
- (vi) In our opinion and according to information and explanations given to us, the Company has complied with the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 with regard to the deposits accepted from the public. As per information given to us, no order has been passed by the Company Law Board which requires compliance by the company.
- (vii) The company has its own internal audit system which in our opinion is commensurate with its size and nature of the business.
- (viii) In our opinion and according to information and explanations given to us Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act.
- (ix) a) The company is regular in depositing with appropriate authorities the undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty & Cess were in arrears, as at 31<sup>st</sup> March, 2011 for a period of more than six months from the date they become payable.
- c) According to information and explanations given to us, the dues of Income Tax, Sales Tax, Wealth Tax, Custom Duty, Cess, Excise Duty & Service Tax which have not been deposited on account of disputes are as under :

Sr. No.	Name of the Statute	Nature of dues	Amt. Rs. in Lacs	Forum where dispute is pending
1	Punjab Sales Tax Act.	Sale Tax Demand	56.65	Industries Deptt. Punjab

- (x) In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us the company has not defaulted in repayment of dues to the banks or financial institutions. There are no debentures issued by the company.
- (xii) The company has not granted loans and advances on the basis of the security by way of pledge of Share, Debentures and other Securities.



## UNIROYAL INDUSTRIES LIMITED

- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- (xv) In our opinion, the terms and conditions on which company have given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the company.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to information and explanation given to us and on an overall examination of the balance sheet and cash flow statement of the company, we report that no fund raised on short term basis have been used for long term investments.
- (xviii) According to information and explanations given to us, the company has not made any preferential allotment of shares to the parties and companies covered in register maintained under section 301 of the Companies Act, 1956.
- (xix) According to information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
- (xx) According to information and explanations given to us, during the period covered by our audit report, the company has not made any public issue.
- (xxi) According to information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**Place : Panchkula.**  
**Dated: 30th May, 2011**

**AGPRS & ASSOCIATES**  
**Chartered Accountants.**  
**Sd/-**  
**Atul Seth**  
**Partner**  
**Firm Regn. No. 006943N**



**BALANCE SHEET AS AT 31ST MARCH, 2011**

Particulars	Schedule	31st March, 2011	31st March, 2010
<b>SOURCES OF FUNDS</b>			
<b>1. SHARE HOLDERS FUND</b>			
(a) Share Capital	A	82687200	82687200
(b) Reserves & Surplus	B	33188273	24525172
Total Rs.		115875473	107212372
<b>2. LOAN FUND</b>			
(a.) Secured Loans	C	87625938	43989772
(b) Unsecured Loans	D	30832047	18841399
Total Rs.		118457985	62831171
<b>3. DEFERRED TAX LIABILITY/(ASSET)</b>		16719204	16457546
Grand Total Rs.		251052662	186501089
<b>APPLICATION OF FUNDS</b>			
<b>1. FIXED ASSETS</b>	E		
(a.) Gross Block		298183582	233369603
(b.) Less: Depreciation		122818324	105591069
(c.) Net Block		175365258	127778534
(d.) Capital Work in Progress		0	1850000
Total Rs.		175365258	129628534
<b>2. INVESTMENTS</b>	F	29998860	28314292
<b>3. CURRENT ASSETS, LOANS AND ADVANCES</b>			
(a.) Inventories	G	12099088	8840112
(b.) Sundry Debtors	H	37312532	28461105
(c.) Cash and Bank Balances	I	6328821	4652911
(d.) Other Current Assets	J	4014960	2611445
(e.) Loans & Advances	K	8473064	7981769
		68228465	52547342
<b>Less: CURRENT LIABILITIES AND PROVISIONS</b>			
(a) Liabilities	L	17408573	18950333
(b) Provisions	M	5131348	5038746
		22539921	23989079
<b>Net Current Assets Rs.</b>		45688544	28558263
<b>Grand Total Rs.</b>		251052662	186501089
Notes to Accounts	U		

Sd/-  
(ARVIND MAHAJAN)  
Managing Director

Sd/-  
(AKHIL MAHAJAN)  
Executive Director

As per our attached report of even date  
AG P R S & Associates.  
Chartered Accountants

Sd/-  
Atul Seth  
Partner  
Firm Regn. No. 006943N

Place: Panchkula  
Date: 30th May 2011



# UNIROYAL INDUSTRIES LIMITED

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	Schedule	31st March, 2011	31st March, 2010
<b>INCOME</b>			
Sales of Products (Gross)	N	131385241	104866810
Sales of Products (Net)		131385241	104866810
Other Income	O	9518811	15437922
Increase/(Decrease) in Stock	P	357485	(139120)
Total Rs.		141261537	120165612
<b>EXPENDITURE</b>			
Manufacturing Expenses	Q	54798642	48919567
Administrative & Other Expenses	R	36248761	26794525
Selling & Distribution Expenses	T	10438253	3527428
Total Rs.		101485656	79241520
Profit before Interest & Depreciation		39775881	40924092
Financial Expenses	S	10605668	7258956
Profit before Depreciation		29170213	33665136
Depreciation		17807482	15301944
Profit/(Loss) for the year before taxation		11362731	18363192
Prior Period Adjustment - Income / (Expense)		0	0
Profit/(Loss) before taxation		11362731	18363192
Provision for tax in earlier years		260028	(93719)
Provision for taxation		(2698000)	(3251000)
Deferred Tax Adjustment - Current Year		(261658)	440044
Profits after tax		8663101	15458517
Profit / (Loss) Brought Forward		7992114	(7466403)
Profit and Loss account carried over		16655215	7992114
<b>Notes to Accounts</b>			
U			
Earning Per Share		Rs. Per share	Rs. Per share
Basic		1.05	1.87
Diluted		1.05	1.87
Number of Shares used in computing earning per share			
Basic		8268720	8268720
Diluted		8268720	8268720

Sd/-

Arvind Mahajan  
Managing Director

Sd/-

Akhil Mahajan  
Executive Director

As per our Attached report of even date.

A G P R S & Associates  
Chartered Accountants

Sd/-

Atul Seth  
Partner

Firm Regn. No. 006943N

Place : Panchkula  
Date : 30th May 2011

Particulars	31st March, 2011	31st March, 2010
<b>SCHEDULE A SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
1,05,00,000 Equity Shares of Rs. 10/- each	105000000	105000000
Total Rs.	105000000	105000000
<b>Issued, Subscribed And Paid Up Capital</b>		
82,68,720 (Previous year-82,68,720) Equity shares of Rs. 10/- each	82687200	82687200
-22,33,200 Shares of Rs. 10/- each fully paid up have been allotted pursuant to a scheme of Amalgamation, without payments being received in cash		
Total Rs.	82687200	82687200
<b>SCHEDULE B RESERVES AND SURPLUS</b>		
<b>General Reserve</b>		
Opening balance	16383058	16383058
Addition during the year	0	0
Securities Premium Account	150000	150000
Profit and Loss Account	16655215	7992114
Total Rs.	33188273	24525172
<b>SCHEDULE C SECURED LOANS</b>		
<b>(a) Term Loans</b>		
<b>For Plant &amp; Machinery</b>		
- From State Bank of India	61352565	20416720
Secured by mortgage of immovable & moveable properties both present and future and personal guarantees of the four directors.		
<b>For Vehicles</b>		
- From ICICI Ltd	3221870	3980379
secured by way of hypothecation of Cars		
- From Tata Capital	288212	391731
Secured by way of hypothecation of Car		
-From Syndicate Bank		
Secured by way of hypothecation of Car	439682	0
<b>(b) Cash Credit</b>		
- From State Bank of India	22323609	19200942
Secured by way of first charge on debtors arising out of trade transactions & stocks of raw materials and consumable stores stocks in process finished goods and packing materials and by way of charge on the immovable assets of the company and personal guarantees of four directors.		
Total Rs.	<del>87625938</del>	<del>43989772</del>
<b>SCHEDULE D UNSECURED LOANS</b>		
Deposits From Public	4246072	3725740
Deposits From Directors	26585975	15115659
Total Rs.	30832047	18841399

**SCHEDULE 'E' FIXED ASSETS**

Description	G R O S S B L O C K				D E P R E C I A T I O N				N E T B L O C K	
	As at 1.04.2010	Additions during the year	Adjustments during the year	As at 31.03.2011	As at 1.04.2010	During the year	Adjustments during the year	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land	3339199	0	0	3339199	0	0	0	0	3339199	3339199
Building										
-Factory	14327707	15686923	0	30014630	3859594	767043	0	4626637	25387993	10468113
-Office	3203876	0	0	3203876	865920	52223	0	918143	2285733	2337956
Furniture & Fixtures	1828347	1340713	0	3162060	843806	139915	0	983721	2178339	977541
Plant & Machinery	191067515	46281366	0	237348881	91877975	15276514	0	107154489	130194392	99189540
Electric Installations	1615581	0	0	1615581	1085775	57528	0	1143303	472278	529806
Office Equipments	3101134	491812	0	3592946	2089612	148905	0	2238517	1354429	1011522
Computers	675253	472667	0	1147920	325792	48682	0	374474	773446	349461
Miscellaneous Assets	11250	0	0	11250	10503	104	0	10607	643	747
Vehicles	14206741	2144958	1604460	14747239	4632092	1316568	580227	5368433	9378806	9574649
Total	233369603	66418439	1604460	298183582	105591069	17807482	580227	122818324	175365258	127778534

Figures for the Previous year 222817657 10551946 0 233369603 90289125 15301944 0 105591069 127778534 132528532



**UNIROYAL INDUSTRIES LIMITED**

Particulars	31st March, 2011	31st March, 2010
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**SCHEDULE F INVESTMENTS**

**LONG TERM**

**1. IN SHARES (OTHER THAN TRADE)**

Quoted	0	1510404
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**2. IN SUBSIDIARY COMPANIES (Trade)**

**Unquoted**

16,50,000 Equity Shares of Rs. 10/- each fully paid up in A M Textiles & Knitwears Ltd	16500000	16500000
----------------------------------------------------------------------------------------	----------	----------

**3. IN MUTUAL FUND (Non Trading)**

Unquoted	2000000	0
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**4. INVESTMENTS IN ASSOCIATED FIRMS (Non Trading)**

Uniroyal Builders & Developers	11198860	10003888
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Uniroyal Builders & Promoters	300000	300000
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Total Rs.	29998860	28314292
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**SCHEDULE G INVENTORIES**

(As prepared, valued & certified by the management)

**1. Stock in Trade**

(a) Raw Materials	9936113	7517623
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(b) Semi Finished Products	908525	413000
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(c) Finished Goods	48816	177395
--------------------	-------	--------

(d) Labels Trading	133247	142708
--------------------	--------	--------

2. Packing Materials	314805	83214
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3. Stores & Spares	637870	359922
--------------------	--------	--------

4. Fuel	98793	109792
---------	-------	--------

5. Printing & Stationery	20919	36458
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Total Rs.	12099088	8840112
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**SCHEDULE H SUNDRY DEBTORS**

(Unconfirmed and unsecured but considered good)

Due for over six months	2812311	1847417
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Others	34500221	26613688
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Total Rs.	37312532	28461105
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**SCHEDULE I CASH & BANK BALANCES**

(a) Cash/Imprest Balance	732023	441413
--------------------------	--------	--------

(b) Bank Balance	5596798	4211498
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with schedule banks

Total Rs.	6328821	4652911
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**SCHEDULE J OTHER CURRENT ASSETS**

Commission Receivable	2418712	1681322
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Claim Under Technology Up gradation Fund Scheme (TUFS)	1512598	786141
--------------------------------------------------------	---------	--------

Interest Receivable	59400	64502
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Rent	22000	70000
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Tata Capital Ltd	2250	9480
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Total Rs.	4014960	2611445
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# UNIROYAL INDUSTRIES LIMITED

Particulars	31st March, 2011	31st March, 2010
<b>(SCHEDULE K: LOANS &amp; ADVANCES)</b>		
Loans and Advances		
(Unsecured considered good)		
Advances recoverable in cash or in kind or value to be received		
With parties for		
- Supplies/Expenses	1974513	1277948
- Staff	250500	371500
- Capital Goods	404226	564200
Pre-paid Expenses	885803	464312
With Income Tax Department	2763983	3248585
Securities & Deposits with Government	23915	0
Departments & Other Agencies	2170124	2055224
Total Rs.	8473064	7981769
<b>(SCHEDULE L: CURRENT LIABILITIES)</b>		
Sundry Creditors for		
- Goods/Expenses	11753610	12184532
- Others	65825	329432
Other Liabilities	1724446	2970076
Expenses Payable	3864692	3466293
Total Rs.	17408573	18950333
<b>(SCHEDULE M: PROVISIONS)</b>		
Provision for Leave Encashment	1118752	818514
Provision for Gratuity	1314596	969232
Provision for Taxation		
- Income Tax	2698000	3251000
Total Rs.	5131348	5038746
<b>(SCHEDULE N: SALES)</b>		
Sales	131385241	104866810
Total Rs.	131385241	104866810
<b>(SCHEDULE O: OTHER INCOME)</b>		
Other Income	9518811	15437922
Total Rs.	9518811	15437922
<b>(SCHEDULE - P: (INCREASE)/DECREASE IN STOCKS)</b>		
<b>Stock at Close</b>		
Finished Goods	48816	177395
Semi Finished Goods	908525	413000
Traded Goods	133247	142708
Total Rs	1090588	733103
<b>Opening Stock</b>		
Finished Goods	177395	216973
Semi Finished Goods	413000	655250
Traded Goods	142708	0
Total Rs.	733103	872223
Increase / (Decrease)	357485	(139120)

Particulars	31st March, 2011	31st March, 2010
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**SCHEDULE - 'Q' MANUFACTURING EXPENSES**

**Raw Material Consumed**

Opening Stock	7517623	7088699
Add : Purchases	29533971	20461263
Less: Closing Stock	(9936113)	(7517623)
Total Rs.	27115481	20032339
Purchase of Traded Goods	8280240	12387950
Stores & Spares Consumed	3471698	5116455
Power & Fuel	12505662	8729534
Repairs - Plant & Machinery	1890865	1567044
Repairs - Building & Others	303035	187679
Other Manufacturing Expenses	1231661	898566
Total Rs.	54798642	48919567

**SCHEDULE - R ADMINISTRATIVE & OTHER EXPENSES**

Salaries, Wages & Bonus	15169375	11386280
Contribution to Provident & Other Funds	1389007	1019868
Retirement Benefits	1383234	1112200
Workmen & Staff Welfare Expenses	1005477	609823
Rent	707860	358000
Director's Remuneration	8005458	6018008
Rates & Taxes	163022	61387
Insurance	354439	306790
Auditor's Remuneration	49912	59286
Travelling & Conveyance		
- Director's Travelling	1965779	1507438
- Other's Travelling	605792	560747
Other Administrative Expenses	5449406	3794698
Total Rs.	36248761	26794525

**SCHEDULE - 'S' FINANCIAL EXPENSES**

Bank Charges	385378	363301
Interest		
- Term Loans	4650452	2563148
- Working Capital	2389383	1765772
- Others	3180455	2143235
Hedging Premium	0	423500
Total Rs.	10605668	7258956

**SCHEDULE 'T': SELLING EXPENSES & DISTRIBUTION EXPENSES**

Freight & Forwarding	1868148	1887152
Advertisement & Publicity	59764	6936
Packing Expenses	2280045	1139692
Discount & Commission	5600815	389700
Sales Promotion	629481	103948
Total Rs.	10438253	3527428



# UNIROYAL INDUSTRIES LIMITED

## SCHEDULE – “U” NOTES FORMING PART OF ACCOUNTS

### NOTES ON ACCOUNTS

#### 1. ACCOUNTING STANDARDS COMPLIANCE

##### a) System of Accounting

- i) Financial statements are prepared under the historical cost convention, in accordance with Accounting Standards applicable in India on a going concern basis.
- ii) The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis.

##### b) Inventories

- i) Raw Materials, Stores and Spares and Packing Materials are valued at cost.
- ii) Finished goods, Traded Goods and Semi-finished goods are valued at lower of cost or market value.
- iii) While determining the cost, the direct material cost is assigned on the basis of weighted average cost and the conversion cost is determined on the basis of systematic allocation of relatable fixed and variable production overheads and the element of excise duty, in accordance with the revised Accounting Standards (AS-2) “Valuation of inventories” issued by the ICAI.

##### c) Fixed Assets & Depreciation

###### Fixed Assets

- i) Fixed Assets are stated at cost less depreciation/amortisation.
- ii) Cost of major civil works required for plant & machinery support, is capitalised as Plant & Machinery.
- iii) In case of new projects including major expansion, the related identifiable expenses like interest on borrowings for specific project, employees related expenses, travelling expenses, trial run costs and other preoperative expenses etc. up to its commissioning are capitalised.
- iv) Capital Assets under erection/installation are reflected in the Balance Sheet as “Capital Work in Progress”.

###### Depreciation

- v) The Company has provided depreciation on the straight line method as per the provisions of Schedule XIV of the Companies Act 1956.
- vi) Depreciation has been provided in respect of addition to / deletions from Fixed Assets, on prorata basis with reference to the date of addition / deletion of the assets.

##### d) Accounting for effects of changes in foreign exchange rates.

- a. Transaction denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- b. Year end foreign currency denominated liabilities and receivable are translated at year end market exchange rates the difference being charged/credited to revenue account.

##### e) Accounting for Government Grants

- i) Grant related to Depreciable assets are treated as Deferred Income which is recognised in the Profit and Loss Statement on a systematic and rational basis over the useful life of the Asset.
- ii) Grants relating to revenue items are recognised in the Profit and Loss Account after matching them with the related costs which they are intended to compensate.

##### f) Accounting for investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.



**g) Accounting for Retirement benefits**

- Provident Fund contribution in respect of employees are made to Government as per the Provident Fund Act.
- Retirement benefits as to Gratuity to its employees are accounted in accordance with Accounting Standard(AS15) issued by the Institute of Chartered Accountants of India on the basis of actuarial valuation. Gratuity payment scheme is funded with an insurance company.  
The actuarial gains or losses are recognised immediately in the profit and loss account. Contributions towards the defined contribution plans are recognised in the profit and loss account on accrual basis.

**h) Borrowing cost**

All borrowing costs are charged to revenue except to the extent they are attributable to qualifying assets which are capitalized.

**i) Segment reporting**

Company operates in one segment.

**j) Accounting for taxes on income**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act 1961.

Deferred tax resulting from timing differences between book and taxable profit is accounted for using the tax rates in force as on the balance sheet date. The deferred tax liability/asset is recognized and carried forward only to the extent that there is reasonable certainty that the asset will be realized in future.

**2. Contingent Liabilities**

**Contingent Liabilities Not Provided for**

	Current Year	Previous Year
Claims against the company not acknowledged as debt :	Nil	Nil
Uncalled Liabilities on shares partly paid up :	Nil	Nil
Arrears of Fixed Cumulative Dividend :	Nil	Nil
Estimated amount of contracts remaining to be executed on capital account and not provided for:	Nil	Nil
Other money for which the company is contingently liable :		
i) Guarantees given by banks on behalf of the company - to Reliance Industries Ltd.	50 Lakhs	50 Lakhs
- to Deputy Commissioner of customs	715000	0
ii) Letters of Credit opened by the Bank	0	0
iii) There is a contingent liability of Rs. 138.02 lacs in respect of closed pharma division merged with the company on account of sales tax exemption availed by it. The erstwhile Company was granted Sale Tax Exemption for Rs. 506.85 lacs to be availed in 120 months by AETC Patiala based on the eligibility certificate issued by the DIC Patiala on the basis of the unit being considered as EOU. Later on due to inadequate exports the category of the company was shifted from Category A to B i.e. General Category vide letter dated 26/09/2002. The sales tax exemption claimed by the erstwhile company was within the eligibility limits of category B granted to the company. However as mentioned by DETC (Appeals) the afore mentioned letter was withdrawn by the department. This suo motto withdrawal of the eligibility of exemption is illegal and unjustified and the company is making efforts to restore the exemption. However while framing assessment for the year 2004-05 a demand notice of Rs. 56.65 lacs was raised by The Excise & Taxation Officer on the basis of the erstwhile company being ineligible for sales tax exemption. The company has taken up the matter with the Punjab Govt. through the industry Deptt. and the decision of which is still awaited. The company has not recognised this liability in the books being hopeful of the favourable decision.		

- In the opinion of the Directors current assets loans & advances have a value on realization in ordinary course of business at least equal to the value at which they have been stated in the Balance sheet.



# **UNIROYAL INDUSTRIES LIMITED**

4. Small Scale Creditors  
Sundry creditors includes Rs 856614/- (Previous year- Rs. 526022/- ) due to Micro/Small/Medium enterprises. There is no undertaking from whom amount outstanding for more than 30 days in respect of small scale undertakings where such dues exceeds Rs.1 lac. ( Previous year- Nil)

5. Balances of sundry creditors, Sundry debtors and other advances are subject to confirmation.

6. The amount of exchange differences
- |  | Current Year | Previous Year |
|--|--------------|---------------|
|--|--------------|---------------|

(a) Included in Profit & Loss account of the year on account of receivable and payables : Net	28597	4827
(b) Adjusted in carrying amount of fixed assets	0	0
(c) In respect of forward exchange contract to be recognised as an expense in the current year	0	423500
(d) In respect of forward exchange contract to be recognised as an expense in the subsequent years	0	0

7. Following items are being carried in the name of the erstwhile company i.e. Sidharta Textile Mills Ltd. which was subsequently merged with the company :  
Fixed Assets - Vehicles (Santro and Honda CRV) included in the fixed assets schedule 'E' having WDV as on 31.3.2011 amounting to Rs. 7.67 lacs

8. The effect of profit / loss (if any) in case of investment in the following Partnership Firms for the period from the availability of the audited financial statements upto the date of the Annual Accounts i.e. 31.3.2011 have not been considered in these financial statements as the same are not available with the company:  
In case of Uniroyal Builders & Promoters w.e.f 1.4.2007.

9. Managerial Remuneration

(Remuneration is within the limit prescribed under Schedule XIII to the Companies Act, 1956.)

	Current Year	Previous Year
(a) To the Managing Director & Whole time Directors		
Salary/Commission/Allowances	6625998	4809589
Perquisites	640260	525219
Rent Free Accomodation	739200	683200
Total	8005458	6018008

- (b) To other Directors
- |  | Current Year | Previous Year |
|--|--------------|---------------|
|  | 0            | 0             |

10. Foreign exchange derivatives and exposures outstanding as at the Balance Sheet date :

Nature of Instrument

- A) Hedged Foreign Currency Exposure on:

i) Payable	NIL	NIL
ii) Receivable	NIL	NIL

- B) Unhedged Foreign Currency Exposure on:

i) Payable	13658.49CHF (INR 665305)	29856.74CHF (INR 1301753)
ii) Receivable	121890 USD (INR 5824058)	312.50 USD (INR 13834)

11. Amounts capitalised in the respective project cost and excluded from :

Administrative & Other Expenses	400000	0
Financial Expenses	712804	0
Net Value Capitalised	1112804	0

## 12. Employee Benefits

The Company has adopted Accounting Standard 15 (Revised) on accounting for Employee Benefits issued by the Institute of Chartered Accountants of India and has accounted the liability and planned assets on the basis of actuarial valuation. The company has taken gratuity policy form SBI Life Insurance Co. Ltd. and during the year contributed Rs 2.50 Lacs. Provision for leave salary is made by debit to profit and loss account.

The necessary disclosure as per Accounting Standard 15 is as under :

### Defined Contribution Plan : (EPF)

Employer's Contribution to Provident Fund is recognised in the Profit and Loss Account - Rs.

### Defined Benefit Plan: (Gratuity)

	Current Yr.	Previous Yr.
Amount recognised in the balance sheet :		
Present value of funded obligations	2108402	1469232
Fair value of plan assets	793806	500000
Net liability	1314596	969232
Principal actuarial assumptions at the balance sheet date:		
Discount rate	8% P. A.	8% P. A.
Salary Escalation	5 %	5 %
Salary Considered	Basic+D.A.	Basic+D.A.
Mortality table	LIC (1994-96) ultimate	IAL (1994-96) ULTIMATE
Actuarial Valuation Method	Projected Unit Credit Method 1% to 3 % Depending on age	Projected Unit Credit Method 1% to 3% Depending on age
	<b>Rs. 10,00,000</b>	<b>Rs. 3,50,000</b>

## 13. Related Party disclosures as per AS-18

### a) List of related & Associated parties

Name of Party	Relationship
Uniroyal Builders & Developers	Partnership Investment of 50% Share of the Company
Uniroyal Builders & Promoters	Partnership Investment 25% Share of the Company
A M Textiles & Knitwears Ltd.	100% subsidiary company

### b) Key management personnel

Mr. Arvind Mahajan	Managing Director
Mrs Rashmi Mahajan	Executive Director
Mr. Akhil Mahajan	Executive Director
Mr. Abhay Mahajan	Executive Director

c) Outstanding Balances	Current Yr.	Previous Yr.
Due to Directors (Remuneration)	362671	1233384
Due to Directors (Unsecured Loan)	26585975	15115659
Due to (from) Uniroyal Builders & Developers	(10000)	(10000)
Due to (from) A.M Textiles and Knitwears Ltd	(1568326)	(1300763)
Capital in Uniroyal Builders & Developers	11198860	10003888
Capital in Uniroyal Builders & Promoters	300000	300000
Capital in A M Textiles & Knitwears Ltd	16500000	16500000



# UNIROYAL INDUSTRIES LIMITED

## (d) Transactions/consideration during the year

Party	Relation	Nature of Transaction	Current Yr.	Previous Yr.
Mr. P.C. Mahajan	Director	Rent Paid	554400	683200
Mr. Arvind Mahajan	Mg. Director	Rent Paid	184800	0
Mr. Arvind Mahajan	Mg. Director	Salary/Commission/ Perquisites/Allowance	2801081	1614548
Mrs. Rashmi Mahajan	Executive Director	Salary/Commission/ Perquisites/Allowance	1528674	1294199
Mr. Akhil Mahajan	Executive Director	Salary/Commission/ Perquisites/Allowance	1583960	1261597
Mr. Abhay Mahajan	Executive Director	Salary/Commission/ Perquisites/Allowance	1352543	1164464
Uniroyal Builders & Developers	Partnership	Rent Received	108794	108794
Uniroyal Builders & Developers	Partnership	Share of Profit received	0	10930275
Uniroyal Builders & Developers	Partnership	Investment during the year	3000000	(3335000)
Uniroyal Builders & Developers	Partnership	Purchase(Refund) of Flat	-	(1375000)
A M Textiles & Knitwears Ltd	Subsidiary Co.	Rent Received	43518	43518
A M Textiles & Knitwears Ltd	Subsidiary Co.	Purchase of Yarn	1782600	1420829
A M Textiles & Knitwears Ltd	Subsidiary Co.	Sale of Yarn	77006	45872
14. Auditor's Remuneration			Current Yr.	Previous Yr.
Auditors Expenses			11307	14064
Payment to Auditors - Certification Etc			0	6617
Audit Fee			38605	38605
Total Rs.			49912	59286
15. Value of Raw Material Store & Spare Parts Consumed			Current Yr.	Previous Yr.
	%age	Value	%age	Value
i) Store & Spares				
Imported	67.49	2530664	76.73	3889568
Indegenous	32.51	1218982	23.27	1179415
ii) Raw Material Consumed	Qty. K.G.	Value	Qty. K.G.	Value
Polyster Yarn	123505	25049419	95446	20032339
16. Sale of Raw Material				
Polyster Yarn	2102.650	125278	1784.034	345551
17. Value of Imports calculated on CIF			Current Yr.	Prev. Yr.
Import of Machinery			33767972	0
Import of Raw Material, Stores and Spares			2530664	3889568
18. Expenditure in Foreign Currencies during the financial year.				
Stores:	in Rupee		540888	215723
	Euro		8980	3085
	in Rupee		176988	440803
	US\$		3868	9272.77
	in Rupee		1326279	2371454
	Swis Franks		28326	53010.89
19. Amount remitted in foreign currencies on account of :-				
Dividends.			Nil	Nil
Expenditure Travelling			1586223	881962
Earnings in foreign exchange - Exports of Goods FOB Value			11242382	1422891

20. Information required by paragraph 3,4 (C) and 4(D) of part-II of schedule VI of Companies Act, 1956.

**(i) CAPACITY AND PRODUCTION**

Licensed Capacity	NA			NA
Installed Capacity in Sq. Mt	736850			602880
Actual Production at Panchkula	Current Yr.	Value	Prev. Yr.	Value
	Qty		Qty	
Labels (Qty in Pcs.)	217016984	46518402	165024437	36531617

**(ii) PURCHASE**

(a) Panchkula				
Labels Qty (Pcs.)	9455117	1290834	15235549	5988670
(b) Ludhiana				
Labels Qty (Pcs.)	5234551	4044616	5681067	3234822

**(iii) TURNOVER OF GOODS PRODUCED**

Labels Qty (Pcs.)	226812072	122037854	150991015	96316629
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**(iv) TURNOVER OF TRADED GOODS**

(From Ludhiana)				
Labels Qty (Pcs.)	5300011	5982093	5518011	4662214

**(iii) OPENING STOCK**

(a) at Panchkula				
Labels Qty (Pcs.)	479446	177395	638204	216989
(b) at Ludhiana				
Labels Qty (Pcs.)	163056	142708	0	0

**(iv) CLOSING STOCK**

(a) at Panchkula				
Labels Qty (Pcs.)	172795	96222	479446	177395
(b) at Ludhiana				
Labels Qty (Pcs.)	97596	37025	163056	142708

**21. Previous Years Figures**

Previous Year's figures have been rearranged where ever necessary.

**22. Balance sheet abstract and company's general profile as per Part IV of schedule VI of the Companies Act, 1956 :**

**I. Registration Details :**

Registration No.	L18101HR1993PLC033167 State Code 05
Balance sheet Date	3/31/2011

**II. Capital raised during the year (amount in thousands) :**

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	Private placement
NIL	NIL

**III. Position of mobilisation and deployment of funds (amounts in thousands)**

	Total Liabilities	Total Assets
	251053	251053
Sources of funds	Paid up Capital	Reserve & Surplus
	82687	33188



# UNIROYAL INDUSTRIES LIMITED

Application of funds	Share Application Money	Secured Loans
	0	87626
	Unsecured Loans	Deferred Tax Liability
	30832	16719
	Net Fixed Assets	Investments
	175365	29999
	Net Current Assets	Misc. Expenditure
IV. Performance of Company	45689	0
	Profit & Loss Account	
	0	
	(Amount in thousands)	
	Turnover	Total Expenditure
	141262	129899
	Profit/Loss before Tax	Profit/Loss after Tax
V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)	11363	8663
	(+for Profit ( ) for loss)	
	Earning Per Share	Dividend rate%
	1.05	0

Product Description (ITC Code)

Labels 58071009

As per our report of even date attached

For A G P R S & Associates

Chartered Accountants

Sd/-

Atul Seth

Partner

Firm Regn. No. 006943N

For and on behalf of Board of Directors

Sd/-

Arvind Mahajan

Managing Director

Sd/-

Akhil Mahajan

Executive Director

Place : Panchkula

Date : 30th May, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011		(Amount in Rs.)	
		Uniroyal Industries Limited	
PARTICULARS	31st March, 2011	31st March, 2010	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>			
NET PROFIT BEFORE TAX AND EXTRAORDINARY ACTIVITIES	11362731	18363192	
ADJUSTMENTS FOR :-			
Depreciation	17807482	15301944	
Prior Period Adjustments- Depreciation Written Back	-	0	
Loss on Fixed Assets	377133	0	
Misc. Expenses Written Off	-	0	
Sundry Balance Written Off/Written Back	222157	249386	
Dividend Received	(441)	(59847)	
VAT Adjustable	-	0	
Profit Transfer from Uniroyal Builders & Developers	1805028	(10930275)	
Financial Expenses	10605668	7258956	
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE	<b>42179768</b>	<b>30183356</b>	
ADJUSTMENT FOR :-			
Debtors	(9073594)	(10916147)	
Inventories	(3258976)	(337572)	
Other Current Assets	(1403515)	(7585)	
Loans & Advances	(491294)	(1369792)	
Trade Payable	(1449158)	6363739	
	26503231	23915999	
Less :- Current Taxes	(2698000)	(3251000)	
Income Tax Paid	260028	(93719)	
<b>Total (A)</b>	<b>24065259</b>	<b>20571280</b>	
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed assets	(64568439)	(11585815)	
Disposal of Assets	647100	0	
Misc. Expenses Incurred	0	0	
Dividend Received	441	59847	
Share of Profit from Uniroyal Builders & Developers	(1805028)	10930275	
Investments	(1684568)	(5220275)	
<b>Total (B)</b>	<b>(67410494)</b>	<b>(5815968)</b>	
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>			
Short Term Capital Loan - Working Capital & Adhoc Limit	3122666	685330	
Long Term Capital Loan	40513499	(7283204)	
Unsecured Loans	11990648	(1495923)	
Issue of Share Capital	0	0	
Less :- Cash outflow from the financing activities			
Financial Expenses	(10605668)	(7258956)	
<b>Total (C)</b>	<b>45021145</b>	<b>(15352753)</b>	
<b>Total Cash Inflow During The Year (A) + (B) + (C)</b>	<b>1675910</b>	<b>(597441)</b>	
Opening Cash Balance	4652911	5250352	
<b>Total Cash Inflow During The Year</b>	<b>1675910</b>	<b>(597441)</b>	
<b>Net Cash &amp; Cash Equivalent as on 31.03.2011</b>	<b>6328821</b>	<b>4652911</b>	

For A G P R S & Associates  
(Chartered Accountants)

Sd/-  
(Atul Seth)  
Partner  
Firm Regn. No. 006943N  
Place : Panchkula  
Date : 30th May, 2011

For and on behalf of the Board of Directors

Sd/-  
(Arvind Mahajan)  
Managing Director

Sd/-  
(Akhil Mahajan)  
Executive Director



# UNIROYAL INDUSTRIES LIMITED

## AUDITOR'S REPORT TO THE MEMEBERS

We have audited the attached Consolidated Balance Sheet of UNIROYAL INDUSTRIES LIMITED ('the holding company') and its subsidiary company A M TEXTILES & KNITWEARS LIMITED (hereinafter collectively referred as "the group") as at 31st March, 2011, the Consolidated Profit and Loss Account for the year ended on that date and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto.

1. These financial statements are the responsibility of the Uniroyal Industries Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have relied on the certificates given by the management in respect of goods lying in stock as on 31<sup>st</sup> March 2011 out of intergroup transactions.
4. We report that consolidated financial statements have been prepared by the management of Uniroyal Industries Limited are in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Uniroyal Industries Limited and its subsidiary company A M Textiles & Knitwears Limited.
5. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss account read together with notes there on in Schedule 'U', give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
  - a) in so far as it relates to the Consolidated Balance Sheet of the state of affairs of the group as at 31<sup>st</sup> March, 2011 and
  - b) in so far as it relates to the Consolidated Profit and Loss Account of the 'profits of the group for the year ended on that date.
  - c) in the case of the Consolidated Cash Flow statement, of the cash flows for the year ended on that date.

Place : Panchkula  
Dated: 30th May, 2011

AG P R S & ASSOCIATES  
Chartered Accountants

Sd/-  
Atul Seth  
Partner  
Firm Regn. No. 006943 N



**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011**

Particulars	Schedule	31st March, 2011	31st March, 2010
<b>SOURCES OF FUNDS</b>			
<b>1. SHARE HOLDERS FUND</b>			
(a) Share Capital	A	82687200	82687200
(b) Reserves & Surplus	B	34993782	25319892
Total Rs.		117680982	108007092
<b>2. LOAN FUND</b>			
(a) Secured Loans	C	143363186	80036788
(b) Unsecured Loans	D	30832047	18841399
Total Rs.		174195233	98878187
<b>3. DEFERRED TAX LIABILITY/(ASSET)</b>		17000267	16678116
Grand Total Rs.		308876482	223563395
<b>APPLICATION OF FUNDS</b>			
<b>1. FIXED ASSETS</b>	E		
(a) Gross Block		304726015	239719136
(b) Less: Depreciation		124077073	106245552
(c) Net Block		180648942	133473584
(d) Capital Work in Progress		0	1850000
Total Rs.		180648942	135323584
<b>2. INVESTMENTS</b>	F	13498860	11814292
<b>3. CURRENT ASSETS LOANS AND ADVANCES</b>			
(a) Inventories	G	61816746	42103034
(b) Sundry Debtors	H	70238146	60272123
(c) Cash and Bank Balances	I	7314521	5241201
(d) Other Current Assets	J	4458815	2957277
(e) Loans & Advances	K	7675806	7394622
		151504034	117968257
<b>Less: CURRENT LIABILITIES AND PROVISIONS</b>			
(a) Liabilities	L	31331746	36453412
(b) Provisions	M	5515348	5199746
		36847094	41653158
Net Current Assets Rs.		114656940	76315099
<b>4. (a) Miscellaneous expenditure</b>			
(to the extent not written off or adjusted )		71740	110420
(b) Profit and Loss Account		0	0
Total Rs.		71740	110420
Grand Total Rs.		308876482	223563395
Notes to Accounts	U		
For and on behalf of the Board of Directors			

Sd/-  
(ARVIND MAHAJAN)  
Managing Director

Sd/-  
(AKHIL MAHAJAN)  
Executive Director

As per our attached report of even date

A G P R S & Associates  
Chartered Accountants

Place: Panchkula  
Date : 30th May, 2011

Sd/-  
Atul Seth  
Partner  
Firm Regn. No. 006943 N



# UNIROYAL INDUSTRIES LIMITED

## CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	Schedule	31st March, 2011	31st March, 2010
<b>INCOME</b>			
Sales of Products (Gross)	N	509492244	384076294
Sales of Products (Net)		509492244	384076294
Other Income	O	9603018	16092863
Increase/(Decrease) in Stock	P	16812221	7416802
Total Rs.		535907483	407585959
<b>EXPENDITURE</b>			
Manufacturing Expenses	Q	435462247	328417623
Administrative & Other Expenses	R	39311333	28396448
Selling & Distribution Expenses	T	13300740	3777789
Total Rs.		488074320	360591860
Profit before Interest & Depreciation		47833163	46994099
Financial Expenses	S	16600693	11896024
Misc. Expenses Written Off		38680	38680
Profit before Depreciation		31193790	35059395
Depreciation		18411748	15904014
Profit/(Loss) for the year before taxation		12782042	19155381
Profit/(Loss) before taxation		12782042	19155381
Provision for tax in earlier years		298029	(118047)
Provision for taxation		(3082000)	(3412000)
Deferred Tax Adjustment - Current Year		(322151)	353414
Profits after tax		9675920	15978748
Profit / (Loss) Brought Forward		8786834	(7189169)
Dividend - Interim & Final		0	0
Tax on Dividend		0	0
Profit and Loss account carried over		18462754	8786834
<b>Notes to Accounts</b>	U		
Earning Per Share		Rs. Per share	Rs. Per share
Basic		1.17	1.93
Diluted		1.17	1.93
Number of Shares used in computing earning per share			
Basic		8268720	8268720
Diluted		8268720	8268720

Sd/-  
(ARVIND MAHAJAN)  
Managing Director  
Sd/-  
(AKHIL MAHAJAN)  
Executive Director  
As per our attached report of even date  
A G P R S & Associates  
Chartered Accountants

Place: Panchkula  
Date : 30th May, 2011

Sd/-  
Atul Seth  
Partner  
Firm Regn. No. 006943 N

Particulars	31st March, 2011	31st March, 2010
<b>SCHEDULE A SHARE CAPITAL</b>		
<b>Authorised Capital Uniroyal Industries Ltd.</b>		
1,05,00,000 Equity Shares of Rs. 10/- each	105000000	105000000
Total Rs.	105000000	105000000
<b>Issued, Subscribed And Paid Up</b>		
<b>Capital Uniroyal Industries Ltd</b>	82687200	82687200
82,68,720 ( Previous year-82,68,720) Equity shares of Rs. 10/- each		
-22,33,200 Shares of Rs. 10/- each fully paid up have been allotted pursuant to a scheme of Amalgamation, without payments being received in cash		
Total Rs.	82687200	82687200
<b>SCHEDULE B RESERVES AND SURPLUS</b>		
<b>General Reserve</b>		
Opening balance	16383058	16383058
Addition during the year	0	0
Securities Premium Account	150000	150000
Profit and Loss Account	18460724	8786834
Total Rs.	34993782	25319892
<b>SCHEDULE C SECURED LOANS</b>		
<b>(a) Term Loans</b>		
<b>For Plant &amp; Machinery</b>		
- From State Bank of India	61352565	20416720
Secured by 'mortgage of 'immovable & moveable properties both present and future and personal guarantees of the four directors.		
<b>For Vehicles</b>		
- From ICICI Ltd	3221870	3980379
secured by way of hypothecation of Cars		
- From Tata Capital	288212	391731
Secured by way of hypothecation of Car - Logan		
-From Syndicate Bank	439682	0
Secured by way of hypothecation of Cars		
- From Axis Bank	3440757	4426664
Secured by way of hypothecation of Car - Audi		
<b>(b) Cash Credit</b>		
- From State Bank of India	74620100	50821294
Secured by way of first charge on debtors arising out of trade transactions & stocks of raw materials and consumable stores stocks in process finished goods and packing materials and by way of charge on the immovable assets of the company and personal guarantees of four directors.		
Total Rs.	143363186	80036788
<b>SCHEDULE D UNSECURED LOANS</b>		
Deposits From Public	4246072	3725740
Deposits From Directors	26585975	15115659
Total Rs.	30832047	18841399

**SCHEDULE 'E' FIXED ASSETS**

Description	G R O S S B L O C K				D E P R E C I A T I O N				N E T B L O C K	
	As at 1.04.2010	Additions during the year	Sals/Adjust- ments during the year	As at 31.03.2011	As at 1.04.2010	During the year	Deduction/ Adjustments during the year	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land	3339199	0	0	3339199	0	0	0	0	3339199	3339199
Building										
-Factory	14327707	15686923	0	30014630	3859594	767043	0	4626637	25387993	10468113
-Office	3203876	0	0	3203876	865920	52223	0	918143	2285733	2337956
Furniture & Fixtures	1839192	1340713	0	3179905	844841	141045	0	985886	2194019	994351
Plant & Machinery	191067515	46281366	0	237348881	91877975	15276514	0	107154489	130194392	99189540
Electric Installations	1615581	0	0	1615581	1085775	57528	0	1143303	472278	529806
Office Equipments	3103024	547712	0	3650736	2089956	149107	0	2239063	1411673	1013068
Computers	696203	609667	0	1305870	329610	52275	0	381885	923985	366593
Miscellaneous Assets	11250	0	0	11250	10503	104	0	10607	643	747
Vehicles	20515589	2144958	1604460	21056087	5281378	1915909	580227	6617060	14439027	15234211
<b>Total</b>	<b>239719136</b>	<b>66611339</b>	<b>1604460</b>	<b>304726015</b>	<b>106245552</b>	<b>18411748</b>	<b>580227</b>	<b>124077073</b>	<b>180648942</b>	<b>133473584</b>

Figures for the Previous year 229149345 10569791 0 239719136 90341538 15904014 0 106245552 133473584 138807807



**UNIROYAL INDUSTRIES LIMITED**

Particulars	31st March, 2011	31st March, 2010
<b>SCHEDULE F INVESTMENTS</b>		
1. IN SHARES (OTHER THEN TRADE)	0	1510404
Quoted		
2. IN MUTUAL FUND (Non Trading)	2000000	0
Unquoted		
3. INVESTMENTS IN ASSOCIATED FIRMS (Non Trading)		
Uniroyal Builders & Developers	11198860	10003888
Uniroyal Builders & Promoters	300000	300000
Total Rs.	13498860	11814292
<b>SCHEDULE G INVENTORIES</b>		
(As prepared, valued & certified by the management)		
1. Stock in Trade		
(a) Raw Materials	9936113	7517623
(b) Semi Finished Products	908525	413000
(c ) Finished Goods	48816	177395
(d) Yarn Trading (Including stock in transit)	49717658	33262922
(e) Labels Trading	133247	142708
2. Packing Materials	314805	83214
3. Stores & Spares	637870	359922
4. Fuel	98793	109792
5. Printing & Stationery	20919	36458
Total Rs.	61816746	42103034
<b>SCHEDULE H SUNDRY DEBTORS</b>		
(Unconfirmed and unsecured but considered good)		
Due for over six months	3097799	2116609
Others	67140347	58155514
Total Rs.	70238146	60272123
<b>SCHEDULE I CASH &amp; BANK BALANCES</b>		
(a) Cash/Imprest Balance	1263988	903650
(b) Bank Balance	6050533	4337551
with schedule banks		
Total Rs.	7314521	5241201
<b>SCHEDULE J OTHER CURRENT ASSETS</b>		
Commission Receivable	2418712	1681322
Claim Under Technology Up gradation Fund Scheme (TUFS)	1512598	786141
Interest Receivable	59400	64502
Rent	10000	70000
Tata Capital Ltd	2250	9480
Quantity Discount and Rate Difference Receivable	455855	345832
Total Rs.	4458815	2957277



# UNIROYAL INDUSTRIES LIMITED

Particulars	31st March, 2011	31st March, 2010
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## SCHEDULE K: LOANS & ADVANCES

(Unsecured considered good)

Advances recoverable in cash or in kind or value to be received

With parties for

- Supplies/Expenses	419764	37185
- Staff	250500	371500
- Capital Goods	404226	564200
- Others	0	0
Pre-paid Expenses	1066361	558713
With Income Tax Department	3340916	3807800
With Central Excise (PLA)	23915	0
Securities & Deposits with Government Departments & Other Agencies	2170124	2055224

Total Rs.	7675806	7394622
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## SCHEDULE L: CURRENT LIABILITIES

Sundry Creditors for

- Goods/Expenses	23088624	25510805
- Others	1903438	2173891
Other Liabilities	2018946	3952381
Expenses Payable	4320738	4816335
Total Rs.	31331746	36453412

## SCHEDULE M: PROVISIONS

Provision for Leave Encashment	1118752	818514
Provision for Gratuity	1314596	969232
Provision for Taxation		
- Income Tax	3082000	3412000
Total Rs.	5515348	5199746

## SCHEDULE N: SALES

Sales	509492244	384076294
Total Rs.	509492244	384076294

## SCHEDULE O: OTHER INCOME

Other Income	9603018	16092863
Total Rs.	9603018	16092863

## SCHEDULE P: (INCREASE)/DECREASE IN STOCKS

Stock at Close

Finished Goods	48816	177395
Semi Finished Goods	908525	413000
Traded Goods	49850905	33405630
Total Rs	50808246	33996025

Opening Stock

Finished Goods	177395	216973
Semi Finished Goods	413000	655250
Traded Goods	33405630	25707000
Total Rs.	33996025	26579223

Increase / (Decrease)	16812221	7416802
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Particulars	31st March, 2011	31st March, 2010
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**SCHEDULE - 'Q' MANUFACTURING EXPENSES**

**Raw Material Consumed**

Opening Stock	7517623	7088699
Add : Purchases	27674365	18994562
Less: Closing Stock	(9936113)	(7517623)
Total Rs.	25255875	18565638
Purchase of Traded Goods	390803451	293352707
Stores & Spares Consumed	3471698	5116455
Power & Fuel	12505662	8729534
Repairs - Plant & Machinery	1890865	1567044
Repairs - Building & Others	303035	187679
Other Manufacturing Expenses	1231661	898566
Total Rs.	435462247	328417623

**SCHEDULE - R ADMINISTRATIVE & OTHER EXPENSES**

Salaries, Wages & Bonus	16190375	12048780
Contribution to Provident & Other Funds	1389007	1019868
Retirement Benefits	1383234	1112200
Workmen & Staff Welfare Expenses	1027153	628522
Rent	1013860	514000
Director's Remuneration	8005458	6018008
Rates & Taxes	171262	64797
Insurance	488129	374458
Auditor's Remuneration	66457	75831
Travelling & Conveyance		
- Director's Travelling	2621791	1937963
- Other's Travelling	605877	561263
Other Administrative Expenses	6348730	4040758
Total Rs.	39311333	28396448

**SCHEDULE - 'S' FINANCIAL EXPENSES**

Bank Charges	742267	685959
Interest		
- Term Loans	5069735	3083366
- Working Capital	7572510	4887557
- Others	3197771	2361052
Hedging Premium	18410	878090
Total Rs.	16600693	11896024

**SCHEDULE 'T': SELLING EXPENSES & DISTRIBUTION EXPENSES**

Freight & Forwarding	1868148	1887152
Advertisement & Publicity	59764	6936
Packing Expenses	2280255	1139932
Discount & Commission	8436183	615878
Sales Promotion	656390	127891
Total Rs.	13300740	3777789



# UNIROYAL INDUSTRIES LIMITED

## SCHEDULE –“U” NOTES FORMING PART OF CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

### NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

#### 1. CONSOLIDATION

The consolidated financial statements comprise of the financial statements of Uniroyal Industries Limited ("the holding company") and its subsidiary company AM Textiles & Knitwears Limited.

##### a. System of Accounting

- i. Financial statements are prepared under the historical cost convention, in accordance with Accounting Standards applicable in India on a going concern basis.
- ii. The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis.

##### b. Inventories

- i. Raw Materials, Stores and Spares and Packing Materials are valued at cost.
- ii. Finished goods, Traded Goods and Semi-finished goods are valued at lower of cost or market value.
- iii. While determining the cost, the direct material cost is assigned on the basis of weighted average cost and the conversion cost is determined on the basis of systematic allocation of relatable fixed and variable production overheads and the element of excise duty, in accordance with the revised Accounting Standards (AS-2) "Valuation of inventories" issued by the ICAI.

##### c. Fixed Assets & Depreciation

###### Fixed Assets

- i. Fixed Assets are stated at cost less depreciation/amortisation.
- ii. Cost of major civil works required for plant & machinery support, is capitalised as Plant & Machinery.
- iii. In case of new projects including major expansion, the related identifiable expenses like interest on borrowings for specific project, employees related expenses, travelling expenses, trial run costs and other preoperative expenses etc. up to its commissioning are capitalised.
- iv. Capital Assets under erection/installation are reflected in the Balance Sheet as "Capital Work in Progress".
- v. The Company has provided depreciation on the straight line method as per the provisions of Schedule XIV of the Companies Act 1956.
- vi. Depreciation has been provided in respect of addition to / deletions from Fixed Assets, on prorata basis with reference to the date of addition / deletion of the assets.

##### d. Accounting for effects of changes in foreign exchange rates.

- a) Transaction denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- b) Year end foreign currency denominated liabilities and receivable are translated at year end market exchange rates the difference being charged/credited to revenue account.

##### e. Accounting for Government Grants

- i. Grant related to Depreciable assets are treated as Deferred Income which is recognised in the Profit and Loss Statement on a systematic and rational basis over the useful life of the Asset.
- ii. Grants relating to revenue items are recognised in the Profit and Loss Account after matching them with the related costs which they are intended to compensate.

##### f. Accounting for investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

##### g. Accounting for Retirement benefits

- a) Provident Fund contribution in respect of employees are made to Government as per the Provident Fund Act.
- b) Retirement benefits as to Gratuity and encashment of leave to its employees are accounted in accordance with Accounting Standard (AS 15) issued by the Institute of chartered Accountants of India on the basis of actuarial valuation.  
Gratuity Payment scheme is funded with an Insurance Company.



The actuarial gains or losses are recognised immediately in the profit and loss account. Contributions towards the defined contribution plans are recognised in the profit and loss account on accrual basis.

h. Borrowing cost

All borrowing costs are charged to revenue except to the extent they are attributable to qualifying assets which are capitalized.

i. Accounting for taxes on income

Provision for current tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act 1961.

Deferred tax resulting from timing differences between book and taxable profit is accounted for using the tax rates in force as on the balance sheet date. The deferred tax liability/asset is recognized and carried forward only to the extent that there is reasonable certainty that the asset will be realized in future.

2. Contingent Liabilities

	Curr. Yr.	Prev. Yr.
Contingent Liabilities Not Provided for		
Claims against the company not acknowledged as debt :	Nil	Nil
Uncalled Liabilities on shares partly paid up :	Nil	Nil
Arrears of Fixed Cumulative Dividend :	Nil	Nil
Estimated amount of contracts remaining to be executed on capital account and not provided for:	Nil	Nil
Other money for which the company is contingently liable :		
i) Guarantees given by banks on behalf of the company - to Reliance Industries Ltd.	50 Lakhs	50 Lakhs
to Deputy Commissioner of Customs	715000	0
ii) Letters of Credit opened by the Bank	8880516	2526300
iii) There is a contingent liability of Rs. 138.02 lacs in respect of closed pharma division merged with the company on account of sales tax exemption availed by it. The erstwhile Company was granted Sale Tax Exemption for Rs. 506.85 lacs to be availed in 120 months by AETC Patiala based on the eligibility certificate issued by the DIC Patiala on the basis of the unit being considered as EOU. Later on due to inadequate exports the category of the company was shifted from Category A to B i.e. General Category vide letter dated 26/09/2002. The sales tax exemption claimed by the erstwhile company was within the eligibility limits of category B granted to the company. However as mentioned by DETC (Appeals) the afore mentioned letter was withdrawn by the department. This suo motto withdrawal of the eligibility of exemption is illegal and unjustified and the company is making efforts to restore the exemption. However while framing assessment for the year 2004-05 a demand notice of Rs. 56.65 lacs was raised by The Excise & Taxation Officer on the basis of the erstwhile company being ineligible for sales tax exemption. The company has taken up the matter with Punjab Govt. through Industries Deptt. and the decision of which is still awaited. The company has not recognised this liability in the books being hopeful of the favourable decision.		

3. In the opinion of the Directors current assets loans & advances have a value on realization in ordinary course of business at least equal to the value at which they have been stated in the Balance sheet.

4. Balances of sundry creditors Sundry debtors and other advances are subject to confirmation

5. The amount of exchange differences

(a) Included in Profit & Loss account of the year on account of receivable and payables : Net	28597	4827
(b) Adjusted in carrying amount of fixed assets	0	0
(c) In respect of forward exchange contract to be recognised as an expense in the current year	0	878090
(d) In respect of forward exchange contract to be recognised as an expense in the subsequent years	0	18410

6. Following items are being carried in the name of the erstwhile company i.e. Sidharta Textile Mills Ltd. which was subsequently merged with the company :

Fixed Assets - Vehicles (Centro & Honda CRV) included in the fixed assets schedule 'E' having WDV as on 31.3.2011 amounting to Rs. 7.67 lacs



# UNIROYAL INDUSTRIES LIMITED

Following items are being carried in the name of directors of the company

7. The effect of profit / loss (if any) in case of investment in the following Partnership Firm for the period from the availability of the audited financial statements upto the date of the Annual Accounts i.e. 31.3.2011 have not been considered in these financial statements as the same are not available with the company: in case of Uniroyal Builders & Promoters w.e.f 1.4.2007.

8. Managerial Remuneration

(Remuneration is within the limit prescribed under Schedule XIII to the Companies Act, 1956.)

a. To the Managing Director & Whole time Directors

Salary/Commission/Allowances	6625998	4809589
Perquisites	640260	525219
Rent Free Accomodation	739200	683200
Total	8005458	6018008

b. To other Directors

0 0

9. Foreign exchange derivatives and exposures outstanding as at the Balance Sheet date :

Nature of Instrument

(A) Hedged Foreign Currency Exposure on:

i. Payable	0	400000 USD
	0	(INR 19791000)
ii. Receivable	NIL	NIL

(B) Unhedged Foreign Currency Exposure on:

i. Payable	13658.49 CHF.	29856.74 CHF
	(INR 665305)	(INR 1301753)
ii. Receivable	121890 USD	312.50 USD
	(INR 5824058)	(INR 13834)

10. Amount Capitalized in the respective project cost and excluded from :

Administrative & Other Expenses	400000	0
Interest	712804	0
Net Value Capitalized	1112804	0

11. Employee Benefits

The Company has adopted Accounting Standard 15 (Revised) on accounting for Employee Benefits issued by the Institute of Chartered Accountants of India and has accounted the liability and planned assets on the basis of actuarial valuation The company has taken gratuity policy from life insurance Co. Ltd. and contributed Rs. 2.50 Lacs. Provision for leave salary is made by debit to profit & loss account.

The necessary disclosure as per Accounting Standard 15 is as under :

**Defined Contribution Plan :**

	Current Year	Previous Year
Employer's Contribution to Provident Fund is recognised in the Profit and Loss Account - Rs.	901909	672026

**Defined Benefit Plan:**

Particulars	Current Year	Previous Year
-------------	--------------	---------------

Amount recognised in the balance sheet :

Present value of funded obligations	2108402	1469232
Fair value of plan assets	793806	500000
Net liability	1314596	969232

Principal actuarial assumptions at the balance sheet date:

Discount rate	8% P.A	8% P.A
Salary Escalation	5%	5%
Salary Considered	Basic+D.A	Basic+D.A
Mortality table	LIC (1994-96)	IAL (1994-96)
	ultimate	ultimate
Actuarial Valuation Method	Projected Unit Credit Method	Projected Unit Credit Method

Ceiling

1% to 3% depending on age  
Rs. 10,00,000

12. Related Party disclosures as per AS-18

a) List of related & Associated parties

<b>Name of Party</b>	<b>Relationship</b>
Uniroyal Builders & Developers	Partnership Investment of 50% Share of the Company
Uniroyal Builders & Promoters	Partnership Investment 25% Share of the Company

b) Key management personnel

Mr. Arvind Mahajan	Managing Director
Mrs Rashmi Mahajan	Executive Director
Mr. Akhil Mahajan	Executive Director
Mr. Abhay Mahajan	Executive Director

(c) Outstanding Balances

Due to Directors (Remuneration)	362671	1233384
Due to Directors (Unsecured Loan)	26585975	15115659
Due to Uniroyal Builders & Developers	(10,000)	(10,000)
Capital in Uniroyal Builders & Developers	11198860	10003888
Capital in Uniroyal Builders & Promoters	300000	300000

d) Transactions/consideration during the year

Party	Relation	Nature of Transaction		
Mr. P.C. Mahajan	Director	Rent Paid	554400	683200
Mr. Arvind Mahajan	Mg. Director	Rent Paid	184800	0
Mr. Arvind Mahajan	Mg. Director	Salary/Commission/ Perquisites/Allowance	2801081	1614548
Mrs Rashmi Mahajan	Executive Director	Salary/Commission/ Perquisites/Allowance	1528674	1294199
Mr. Akhil Mahajan	Executive Director	Salary/Commission/ Perquisites/Allowance	1583960	1261597
Mr. Abhay Mahajan	Executive Director	Salary/Commission/ Perquisites/Allowance	1352543	1164464
Uniroyal Builders & Developers	Partnership	Rent Received	108794	108794
Uniroyal Builders & Developers	Partnership	Share of Profit received	(1805028)	10930275
Uniroyal Builders & Developers	Partnership	Investment during the yr.	3000000	(3335000)
Uniroyal Builders & Developers	Partnership	Purchase (Refund) of Flat	0	(1375000)

As per our report of even date attached

Sd/-  
(Arvind Mahajan)  
Managing Director

Sd/-  
(Akhil Mahajan)  
Executive Director

A G P R S & Associates  
Chartered Accountants

Place: Panchkula  
Date : 30th May, 2011

Sd/-  
Atul Seth  
Partner  
Firm Regn. No. 006943 N



# UNIROYAL INDUSTRIES LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011 (Amount in Rs.)

PARTICULARS		Figs for the Current Yr.	Figs. for the Previous Yr.
A	CASH FLOW FROM OPERATING ACTIVITIES		
	NET PROFIT BEFORE TAX AND EXTRAORDINARY ACTIVITIES	12782042	19152636
	ADJUSTMENTS FOR :-		
	Depreciation	18411748	15904014
	Prior Period Adjustments- Depreciation Written Back	0	0
	Loss on Fixed Assets	377133	0
	Misc. Expenses Written Off	38680	38680
	Sundry Balance Written Off/Written Back	495173	249386
	Dividend Received	(441)	(59847)
	VAT Adjustable	0	0
	Profit Transfer from Uniroyal Builders & Developers	1805028	(10930275)
	Financial Expenses	16600693	11896024
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE	50510056	36250618
	ADJUSTMENT FOR :-		
	Debtors	(10461196)	(16339250)
	Inventories	(19713712)	(7893494)
	Other Current Assets	(1501538)	58171
B	Loans & Advances	(281183)	45819
	Trade Payable	(4806064)	11275818
		13746363	23397682
	Less:- Current Taxes	(3082000)	(3412000)
	Income Tax Paid	298029	(118047)
	Total (A)	10962392	19867635
	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed assets	(64761339)	(11603660)
	Disposal of Assets	647100	0
	Misc. Expenses Incurred	0	0
C	Dividend Received	441	59847
	Share of Profit from Uniroyal Builders & Developers	(1805028)	10930275
	Investments	(1684568)	(5220275)
	Total (B)	(67603394)	(5833813)
	CASH FLOW FROM FINANCING ACTIVITIES		
	Short Term Capital Loan - Working Capital & Adhoc Limit	23798805	7424655
	Long Term Capital Loan	39527592	(8169072)
	Unsecured Loans	11990648	(1495923)
	Issue of Share Capital	0	0
	Less :- Cash outflow from the financing activities		
	Financial Expenses	(16600693)	(11896024)
	Total (C)	58716352	(14136364)
	Total Cash Inflow During The Year (A) + (B) + (C)	2075350	(102542)
	Opening Cash Balance	5241201	5343743
	Total Cash Inflow During The Year	2075350	(102542)
	Net Cash & Cash Equivalent as on 31.03.2011	7316551	5241201

Sd/-

Sd/-

(Arvind Mahajan)  
Managing Director

(Akhil Mahajan)  
Executive Director

As per our attached report of even date  
A G P R S & Associates  
Chartered Accountants

Place: Panchkula  
Date : 30th May, 2011

Sd/-  
Atul Seth  
Partner  
Firm Regn. No. 006943 N

# STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

							For financial year of the Subsidiary		For the previous financial years since it became the subsidiary	
Sr. No	Name of the Subsidiary Company	Date from which the company become subsidiary	Financial Yr ending of the subsidiary	Number of equity shares held	Face Value	Extent of holding	Profit / (losses) so far it concerns members of the holding company and dealt with in the books of account of the holding company (except to the extent dealt with in col. 6)	Profit / (losses) so far it concerns members of the holding company and dealt with in the books of account of the holding company	Profit / (losses) so far it concerns members of the holding company and not dealt with in books of account of the holding company (except to the extent dealt with in col. 8)	Profit / (losses) so far it concerns members of the holding company and dealt with in books of account of the holding company
1	2	3	4	5	6	7	8	9	10	11
1	AM Textiles & Knitwears Ltd.	24.12.2007	31.3.2011	16,50,000 (16,50,000)	Rs. 10 each	100% (100%)	1010789.00	0	794720.00	0

Change in the interest of Uniroyal Industries Ltd. in the subsidiary companies between the end of financial year of the subsidiary companies and 31st March, 2011

NIL

Note :

- Figures in parenthesis in column 5 & 7 pertains to previous year.

Sd/-  
Arvind Mahajan  
Managing Director

Sd/-  
Akhil Mahajan  
Executive Director  
A G P R S & Associates

Chartered Accountants

Place: Panchkula  
Date : 30th May, 2011

Sd/-  
Atul Seth  
Partner  
Firm Regn. No. 006943N

18th Annual Report  
2010-2011



# **SUBSIDIARY COMPANIES' PARTICULARS**

Particulars regarding subsidiary companies in accordance with  
General circular No. 02/2011 dated 8th february, 2011 from the Ministry of Corporate Affairs

Particulars	Amount
<b>Name of the Subsidiary</b>	<b>A M Textiles and Knitwears Limited</b>
%age holding of group as on March 31, 2011	100
Country of incorporation	India
Reporting Currency	INR
Exchange rate as on March 31, 2011	N.A
Capital	1,65,00,000
Reserves	1,805,509
Secured Loans	55,737,248
Deferred Tax Liability	281,063
Current Liabilities	15,875,499
Total Liabilities	90,199,319
Fixed Assets	5,283,684
Investments (Other than investment in subsidiaries)	0
Current Assets, Loans & Advances	84,843,895
Total Assets	90,199,319
Turnover/Total Income	380,098,816
Profit Before Taxation	1,417,281
Provision for Taxation	406,492
Profit after Taxation	1,010,789
Proposed Dividend	NIL

Sd/-  
(ARVIND MAHAJAN)  
Managing Director

Sd/-  
(AKHIL MAHAJAN)  
Executive Director

Place : Panchkula  
Dated: 30th May, 2011

# UNIROYAL INDUSTRIES LIMITED

**Registered Office : 365, Phase-II, Industrial Estate, Panchkula-134113**

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member/members of the above named company hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the 18th Annual General Meeting of the Company to be held on Wednesday, 28<sup>th</sup> September, 2011 at 10.00 a.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Folio No. \_\_\_\_\_

Signature \_\_\_\_\_

**Affix  
15 paise  
Revenue**

**NOTE : PROXY FORM MUST REACH THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING**

# UNIROYAL INDUSTRIES LIMITED

**Registered Office : 365, Phase-II, Industrial Estate, Panchkula-134113**

DP ID No.	
Client ID No.	

**ADMISSION SLIP**

L / F No.	
No. of Shares Held	

**(To be handed over at the entrance of the Meeting Hall)**

Member's Folio  
Number

Name of the Attending Member  
(in Block Letters)

No. of Shares  
Held

Name of Proxy (in Block Letters)  
To be filled in by the Proxy  
instead of the member

Signature of the

Attending Member/Proxy

I hereby record my presence at the 18th Annual General Meeting at Hotel-Parbhat Inn, Sector 10, Panchkula, Haryana on Wednesday, 28<sup>th</sup> September, 2011 at 10.00 A.M.

## **Uniroyal Industries Limited**

**Registered Office: Plot No. 365, Phase II, Industrial Estate, Panchkula, Haryana-134 113 (INDIA)**

29<sup>th</sup> July, 2011

Dear Shareholder,

**Subject : Green Initiative in Corporate Governance.**

The Ministry of Corporate Affairs (MCA) has through Circular No. 17/2011 pronounced a Green Initiative in Corporate Governance that allows Companies to send notices / documents to shareholders electronically.

The Green Initiative endeavors to reduce consumption of paper, in turn preventing deforestation and contributes towards a green and clean environment - a cause that your Company is committed to.

In support of the initiative announced by the MCA, your Company proposes to send documents like Notice convening Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc. in electronic form.

In case you desire to receive the documents mentioned above in electronic form, you are requested to register your E-mail ID with your Depository Participant ( only in case of Demat accountholders) or send an email to [cs@uniroyalgroup.com](mailto:cs@uniroyalgroup.com) giving details like Name and Folio No. (in case of physical shares).

These documents will also be available on the Company's website [www.uniroyalgroup.com.com](http://www.uniroyalgroup.com.com). Physical copies of the documents will also be available at the Company's Registered Office during office hours. Upon receipt of your requisition, the Company will furnish the copies free of cost.

We are sure that you appreciate the Green Initiative that has been undertaken by the MCA and hope that you will support your Company's desire to participate in it.

Thanking you, we are,

Yours truly,  
For Uniroyal Industries Limited

Sd/-  
(Arvind Mahajan)  
Managing Director





***Uniroyal***  
***Industries Limited***

**365, PHASE-II, INDUSTRIAL ESTATE,  
PANCHKULA - 134 113 (HARYANA)**

Designed and Printed at : Prime Offset Printers Pvt. Ltd. 145, Press Area, I. A.-I, CHD. Ph. : 2652807, 4612807