

Twenty Fifth Annual Report 2007 - 2008



UNIPRODUCTS (INDIA) LTD.



ISO/TS 16949:2002
ISO 14001:2004

BOARD OF DIRECTORS

Chairman

Mr. Ravi Mehra

Managing Director

Dr. Ashwan Kapur

Directors

Mr. C. K. Hazari

Mr. Govind Narain

Dr. Bhaskar Dutta

Mr. P. R. Khanna

Mr. S. L. Kapur

Mr. A. P. Gandhi

President

Mr. Arun Seth

Vice President (Finance)

Mr. Aditya Capoor

Company Secretary

Ms. Preeti Gandhi

Head Office

Khasra No. 360-361

Village Jonapur, Mehrauli,

New Delhi-110047

Registered Office & Plant I

Jarthal Village Road

84 Km. Stone, Delhi-Jaipur Road,

P.O. Sangwari, Distt. Rewari

Haryana-123401

Corporate Office & Plant II

C-15, Sector-57,

Noida Industrial Area

Noida-201307 (U.P.)

Auditors

S. N. Dhawan & Co.

Chartered Accountants

C-37, Connaught Place

New Delhi-110001

Bankers

State Bank of Patiala

Citi Bank

HSBC

Registrar & Share Transfer Agent

MAS Services Private Ltd.

AB-4, Safdarjung Enclave

New Delhi-110029

Tel. : 011-26104142

Fax : 011-26181081

E-mail : mas_serv@yahoo.com

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UNIPRODUCTS (INDIA) LTD.

NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the Members of **UNIPRODUCTS (INDIA) LIMITED** will be held at the Registered Office of the Company at Jarthal Village Road, 84 Km. Stone, Delhi-Jaipur Road, P.O. Sangwari, Distt. Rewari, Haryana-123401, on Friday, the 05th September, 2008 at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2008, Profit & Loss Account and Cash Flow Statement for the year ended on that date and the Reports of the Auditors and Directors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. C. K.Hazari who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. P.R.Khanna who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration.

By order of the Board
For **UNIPRODUCTS (INDIA) LTD.**

Dr. ASHWAN KAPUR
Managing Director

Place : New Delhi
Date : 24th July, 2008

Registered Office:
Jarthal Village Road
84 Km. Stone, Delhi-Jaipur Road,
P.O. Sangwari, Distt. Rewari,
Haryana-123401

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS 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 SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, September 2, 2008 to Friday, September 5, 2008 (both days inclusive).
3. Members attending the Annual General Meeting are requested to bring along with them their copies of the Annual Report, as the same will not be distributed at the meeting.
4. Shareholders who wish to raise any queries/comments on the accounts of the Company are requested to send their queries/comments at least 7 days before the date of the Annual General Meeting.

5. Dividend recommended by the Board of Directors, if approved by the members at the Annual General Meeting, will be paid as under:
 - a) To all Beneficial Owners in respect of shares held in electronic form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on September 1, 2008.
 - b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on September 1, 2008.
6. Members desirous of receiving dividend by direct electronic deposit through Electronics Clearing Service (ECS) facility may authorise the Company with their ECS mandate containing bank details, alongwith the 9 digit MICR code. Request should be lodged with our Registrar & Transfer Agent, M/s MAS Services Pvt. Ltd. AB-4, Safdarjung Enclave, New Delhi-110029 on or before August 25 , 2008.
7. In order to provide protection against fraudulent encashment of dividend warrants, the members are requested to provide, if not provided earlier, their bank account details, quoting folio numbers, to the Company's Registrar & Share Transfer Agent, M/s MAS Services Pvt. Ltd.
8. Members are also requested to notify any changes in their addresses immediately to the Registrar & Share Transfer Agent- M/s MAS Services Pvt. Ltd.
9. Pursuant to Section 205 (C) of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government and no claim shall lie against the said fund or the Company for the amount so transferred. The unpaid/unclaimed dividend pertaining to the financial year 2000-01 will become due for transfer to IEPF on 01st November, 2008. Those shareholders who have not encashed their dividend warrant for the financial year 2000-01 are, therefore, requested to immediately forward the same to the Company for revalidation.
10. The shares of the Company are listed on Bombay Stock Exchange. The listing fees have been paid.
11. At the ensuing Annual General Meeting, Mr. C.K.Hazari & Mr. P.R.Khanna retire by rotation and, being eligible, offer themselves for re-appointment. The information/details pertaining to these Directors to be provided in terms of Clause 49 of the listing agreement with the Bombay Stock Exchange are furnished in the Statement on Corporate Governance published in this Annual Report.

By order of the Board
For **UNIPRODUCTS (INDIA) LTD.**

Place : New Delhi
Date : 24th July, 2008

Dr. ASHWAN KAPUR
Managing Director

Registered Office:
Jarthal Village Road
84 Km. Stone, Delhi-Jaipur Road,
P.O. Sangwari, Distt. Rewari,
Haryana-123401



DIRECTORS' REPORT

To The Members,

The Directors have pleasure in presenting their 25th Annual Report and Audited Accounts of your Company for the year ended 31st March, 2008.

FINANCIAL RESULTS:

The financial performance of the Company for the financial year ended 31st March, 2008 is summarised below:

Particulars	Year ended March 31, 2008 (Rs. in lakhs)	Year ended March 31, 2007 (Rs. in lakhs)
Sales and other Income	13365.94	11955.33
Gross Profit before Interest, Depreciation and Miscellaneous Expenditure written off	1470.55	1278.82
Less : Interest	348.43	263.28
Depreciation	588.22	474.78
Miscellaneous Expenditure written off	—	12.90
Profit for the year	533.90	527.86
Prior period Income/(Expenditure) adjustment	(2.88)	(6.48)
Profit before tax	531.02	521.38
Provision for current tax (MAT)	60.16	58.50
Deferred tax (Assets)/Liability	63.38	112.48
Fringe Benefit Tax	16.36	10.88
Profit after tax	391.12	339.52
Surplus brought forward	514.83	324.13
Profit available for appropriation	905.95	663.65
General Reserve	26.55	26.07
Proposed Dividend	104.92	104.92
Corporate Dividend Tax	17.83	17.83
Balance carried to the Balance Sheet	756.65	514.83

OPERATIONS

The Company has posted yet another year of impressive results despite rising input and energy costs. This is a testimony to the robustness of the business model pursued by the Company. Sales continue to record a steady growth; all products sales have grown by 12% over the previous year. The Company's compound annual growth rate in sales over the past 5 years now stands at 24%.

The pre tax profit increased by 2% to Rs.531.02 lakhs, while the profit after tax grew by 15% to Rs.391.12 lacs. The performance is even more satisfying when viewed in the light of the challenging business environment of the automotive industry, where OEMs demand products which satisfy extremely high standards of quality and are, at the same time, cost competitive.

The Company continues to invest in technology and assets to make available adequate manufacturing capacities for the growth that it expects in the forthcoming years. The Company has, during the year 2007-08, procured two new needling looms from Germany which will enable it to increase its production capacity and manufacture a diverse range of products that provide significant value addition. It has also imported robust Italian equipment that will enable it to diversify into new product lines. The Company has recently acquired industrial land at SIPCOT, Oragadam, Chennai for the purpose of expansion and diversification.

In its relentless pursuit of "customer delight" through manufacture of world class products at competitive prices, the Company continues to make efforts to apply total productivity management (TPM) techniques in production. The Company lays emphasis on remaining a low cost manufacturer by continuously improving efficiencies,

productivity & yield. New product development is another thrust area for the Company, and it has launched several greener and recyclable products into the market in the recent years. The focus on safety and health, quality systems and cost reductions through VA/VE exercises is now a continuous process in the Company. Institution of energy audits and implementation of the recommendations to reduce energy consumption, as well as strict control over overhead costs is given due priority.

FUTURE PROSPECTS

Automotive growth is expected to be moderate during 2008-09, with inflation and rising input costs limiting growth prospects, although the long term outlook continues to be positive. With car manufacturers looking for low cost production bases to contain costs, India is becoming a hub for small cars, as well as for outsourcing of auto components. Our Company is poised to participate in this growth story through its existing wide range of products which it supplies to almost all car manufacturers in India. The Company's order book shows a healthy growth with orders having been received for the forthcoming models of Maruti, Honda, Hyundai (2nd tier) and Tata Motors. The Company anticipates cost pressures, but plans to maintain its margins through improved productivity, cost reductions, VA/VE measures and focus on high value added products.

RIGHTS ISSUE

Considering the expansion of the business of the Company and also the high borrowings in comparison with the equity capital, your Company had offered a rights issue of 45,25,254 equity shares of Rs. 10/- each for cash at a premium of Rs. 30/- per equity share aggregating to Rs. 1,810.10 lakhs. The issue closed successfully on 27th March, 2007, and the allotment was completed on 26th April, 2007. A total of 42,17,926 equity shares were allotted under this issue, and the Company's equity share capital increased from 45,25,254 shares to 87,43,180 shares post allotment. The proceeds of the issue have been utilized for the purposes mentioned in the offer document, and the details are given in the notes to accounts which form a part of the annual accounts for the year 2007-08.

JOINT VENTURE WITH JUKEN TECHNOLOGY LIMITED, SINGAPORE

Your Company had incorporated a joint venture company namely "Juken Uniproducts Private Limited" under the shareholder's agreement entered into with Juken Technology Limited, a Singapore based company in the year 2005-2006. This Company commenced commercial production on 31st July, 2006. During the financial year ended 31st March, 2008, the Company has achieved a gross sales of Rs. 186.69 Lacs. As 2007-08 was the first full year of commercial production for the Company, it will take some more time for the operations to achieve break even sales. However, high precision plastic injection moulded components is a promising product line in which the company's joint venture partner is well recognized in the overseas markets, and your Directors are confident that this joint venture will be successful in the years to come.

DIVIDEND

Your Directors are pleased to recommend a dividend of 12% for the year ended 31st March, 2008.

DELISTING OF SHARES

The Board of Directors, in their meeting held on 28th April, 2007, approved the delisting of equity shares of the Company from the Bombay Stock Exchange Limited. The approval of the Shareholders was also obtained in the Extra-ordinary General Meeting held on 15th June, 2007. With shareholder's approval, the Company filed its application with the Bombay Stock Exchange Limited for delisting. On February 25, 2008 the Company has received an order passed by SEBI instructing the Company not to delist the securities pursuant to the rights issue. The Company has filed an appeal against the said order, and the adjudication proceedings are currently in progress.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The information with respect to conservation of energy and technology absorption, pursuant to sub-section 1(e) of section 217 of the Companies Act, 1956, is appended hereto and forms part of this report.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earning during the year was Rs. 10.57 lakhs and foreign exchange outgo during the year was Rs. 1403.31 lakhs.



DIRECTORS

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Mr. C.K.Hazari and Mr. P.R.Khanna will retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

Brief resume of the above Directors, together with the nature of their expertise as stipulated under Clause 49 of the listing agreement with the stock exchange, is given in the section on Corporate Governance.

Mr. M.M.Kohli has resigned from the directorship of your Company w.e.f. 05.09.2007

DIRECTORS RESPONSIBILITY STATEMENT

As per section 217 (2AA) of the Companies Act 1956, the Directors of the Company hereby declare:

- (i) that in the preparation of 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 or 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 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.

PARTICULARS OF EMPLOYEES UNDER SUB-SECTION 2A OF SECTION 217 OF THE COMPANIES ACT, 1956

A statement showing particulars of employees as required under sub-section 2A of section 217 of the Companies Act, 1956, which forms an integral part of this report, is annexed hereto.

AUDITORS

M/s. S.N. Dhawan & Co., Chartered Accountants, retire and, being eligible, have expressed their willingness to be re-appointed.

FIXED DEPOSITS

The Company did not hold any fixed deposits as at the close of the year, nor were there any deposits overdue for repayment as on 31st March, 2008.

EMPLOYEE RELATIONS

Relations between the employees and the management remained cordial during the year. The Directors wish to place on record their sincere appreciation for the efficient and committed services rendered by the employees at all levels. Their dedication and commitment has been and continues to be instrumental to the success of the Company.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the listing agreement with the stock exchange, Management Discussion and Analysis, Corporate Governance Report and Certificate from the Company's Auditors confirming compliance of Corporate Governance are made part of the Annual Report.

ACKNOWLEDGEMENTS

Your Directors are pleased to record their gratitude for the understanding and support received from the Shareholders, Financial Institutions, Bankers, Customers and Suppliers of the Company.

For and on behalf of the Board

RAVI MEHRA
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of Directors' Report for the year ended March 31, 2008.

S. No.	Name	Age	Qualification	Date of Employment	Total Remuneration (Rs.)	Experience in years	Last Employment
EMPLOYED THROUGHOUT THE YEAR							
1.	Mr. Arun Seth President	66	B.Sc., M.B.A. (Leeds)	16.11.84	33,38,387.00	44	Intermagnetics (U.K.), Ltd., London
Notes : 1. The gross remuneration as shown in the statement includes salary, medical expenses, commission, Company's contribution to Provident Fund and other perquisites valued as per Income Tax Rules, 1962.							
2. The condition of employment of the above employees is contractual.							

Disclosure of particulars with respect to Conservation of Energy & Technology Absorption as required under the Companies (Disclosure of Particulars in Report of Board of Directors) Rules 1988 and forming part of the Report of the Board of Directors for the year ended March 31, 2008.

Disclosure of Particulars with respect to Conservation of Energy

A) POWER AND FUEL CONSUMPTION

		Current Year	Previous Year
1.	Electricity		
	a) Purchase		
	Units	12,00,389.00	35,72,846.00
	Total amount (Rs.)	51,39,094.00	1,57,79,246.00
	Rate per unit (Rs.)	4.42	4.22
	b) Own Generated		
	i. Through Diesel Generator		
	Total units generated	82,09,275.00	42,97,760.00
	Units per litre of diesel	3.57	3.11
	Cost per unit generated (Rs.)	6.49	9.99
	ii. Through Steam Turbine Generator	Nil	Nil
2.	a) Coal (Medium Quality)		
	Quantity (MT)	6765.00	6,843.00
	Cost (Rs.)	2,87,70,073.00	2,99,69,880.00
	Average rate per tonne (Rs.)	4,253.00	4,379.00
	b) Furnace Oil		
	Quantity (KL)	-	-
	Cost (Rs.)	-	-
	Average rate per KL (Rs.)	-	-
B)	CONSUMPTION PER UNIT OF PRODUCTION		
	Products: Nonwovens		
	Electricity (in units)	1.96	1.74
	Coal (in Kgs)	1.67	1.79
	Furnace Oil (in Ltr)	-	-



ENERGY CONSERVATION MEASURES TAKEN :

1. Modifying Process/Machinery

- a. Replaced electrical heating with thermic fluid heating wherever possible.
- b. Modified Thermopack from manual coal fired to automatic coal firing with fluidised bed.
- c. HFO used as a fuel instead of HSD by installation of HFO based Skoda Generator.
- d. Replaced cartridge heater of electrical ovens with high efficiency Infrared heaters.
- e. Replaced overrated motors with suitable capacity motors.

Disclosure of Particulars with respect to Technology Absorption

A. RESEARCH & DEVELOPMENT (R & D)

1. Specific areas in which R&D was carried out by the Company.
 - 1.1 Successful development of fire retardant non-woven fabric.
 - 1.2 Removal of adhesives during carpet manufacturing.
 - 1.3 Improved colour fastness properties of fabric.
2. Benefits derived as a result of the above R&D
 - 2.1 Efforts stated 1.1 above will help in replacing the costlier imported raw material with a local, low cost product and in improving quality of NVH parts resulting in additional orders.
 - 2.2 Has improved flammability compliance resulting in increased potential demand.
 - 2.3 Has enhanced demand potential in both export & local markets.
3. Future Plan of Action
The Company is undertaking various R & D projects to make products more cost competitive.
Also, recyclable products are now being developed for various end uses in the car interior.

4. Expenditure on Research and Development	(Rs. In '000')
Capital	NIL
Recurring	807.00
Total	807.00
Total R&D Expenditure as % of turnover	0.06%

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Various projects were undertaken based on energy and safety audits conducted by specialised agencies.
2. Technology imported during the last five years :
Technology has been imported for manufacture of needle punch fabric, air laid felt manufacturing and, Imprgration & Latexing. The Company has fully absorbed the technology made available to it.

Disclosure of the information in pursuance to the requirement of the SEBI (Employees Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines, 1999.

	Description	Details
1.	Total Number of shares	Maximum of 3,80,000 equity shares of Rs. 10/- each
2.	Options granted	Nil
3.	The pricing formula	Equivalent to 70% of the market price of the shares determined with respect to the date of exercise.
4.	Options vested	Nil
5.	Options exercised	Nil
6.	The total number of shares arising as a result of exercise of options	Nil
7.	Options lapsed	Nil
8.	Variation of terms of Options	Nil
9.	Money realised by exercise of Options	Nil
10.	Number of Options in force	Nil
11.	Grant to senior management	Nil
12.	Employees receiving 5% or more of the total number of Options during the year	None
13.	Employees who were granted Options in any year equal to or exceeding 1% of the issued capital of the Company	None
14.	Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of options	Not applicable since shares will be transferred by the Uniproducts India Employees Welfare Trust upon exercise of Options and the Company will not be required to issue any new shares.

15. Since the Company has not granted any options to employees during the year under review, there is no impact on profits and on EPS of the Company due to the difference between the employees compensation cost so calculated using the intrinsic value of stock options, and by using the fair value of options.
16. Weighted-average exercise prices and weighted – average fair values of options: NIL



MANAGEMENT DISCUSSIONS AND ANALYSIS

INDUSTRY STRUCTURE, DEVELOPMENT AND SEGMENT-WISE PERFORMANCE

The Company's business is distributed between OEM products which comprise moulded carpets, trims, roof liner fabric, NVH parts, and standard products consisting of needle punch and tufted wall to wall carpets, interlinings, laminate floorings and carpet tiles. In the year 2007-08, a significant part of the Company's business was contributed by OEM products. All products sale for the year was Rs. 13215.72 lakhs, representing a growth of 12% over the previous year. Given below is the segment-wise performance of the above product categories:

OEM Products:

These recorded a sale of Rs. 11965.31 lakhs during the year, an increase of 14% over the previous year. This growth reflects the 14% increase in sales recorded by the passenger car segment. The company continues to retain its leadership position in the market for its product range.

Significant developments taking place in our product ranges that are likely to benefit us are:

- Vehicle manufacturers prefer our innovative products as they provide superior acoustic properties.
- Manufacture of parcel shelves and trunks is being improved through use of material that is more eco-friendly than phenolic felt.
- The Company is launching greener and recyclable products into the market.

Standard Products :

Sale of these products was Rs.1250.41 lakhs. The Company continues to focus its growth efforts on tufted carpets, carpet tiles and laminate floorings imported by it, and has achieved beneficial results in the area. Simultaneously, it uses its strong distribution network in promoting its indigenously produced needle punch carpets.

OUTLOOK ON OPPORTUNITIES

With the Indian economy continuing its healthy growth of over 8% in fiscal 2007-08, there has been an all round pick up in industrial activities in most sectors. The automobile sector is expected to continue to witness steady growth during the coming years, although a temporary slow down may be witnessed due to the current inflationary market condition. Overseas automobile companies have commenced setting up manufacturing facilities in India to take advantage of the low cost of production in the country. Moreover, they are also looking at making India an outsourcing hub for procuring high quality components at competitive prices. Uniproducts expects to be a part of this growth by availing these opportunities.

The Company sees continuing high growth opportunities in the flooring products being imported by it and is looking at adding to these ranges to achieve higher market penetration.

RISKS AND CONCERNS

Risks

Since the bulk of the Company's business is from the automobile sector, any downturn in this sector could impact our turnover. To mitigate this risk, the company intends to expand its business base.

Concerns

Global automobile carpet and NVH parts manufacturers are showing keenness to set up a manufacturing base in India because of the large and growing market here.

HUMAN RELATIONS

The Company acknowledges that human capital is its most valuable asset which must be treasured and grown. To achieve its goal, the Company strives to implement retention policies which provide enduring benefits to the employees.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper and adequate system of internal control geared towards achieving efficiency of business operations, safeguarding the Company's assets and ensuring optimum utilization of resources. Such controls also ensure accuracy and promptness of financial reporting and compliance with statutory regulations. The Company has a strong internal audit system conducted by an external firm of Chartered Accountants. Significant audit findings and suggestions, along with the 'Action Taken Report', are regularly placed before the Board Audit Committee comprising independent Directors for their information and direction.

The BaaN ERP software implementation process has reached a level of stability in the operational areas of all the Company's business units.

REPORT ON CORPORATE GOVERNANCE

1. OVERVIEW

Uniproducts (India) Limited (UPIL) is committed to a long-term partnership with investors through transparency and fairness in its dealings and placing uncompromising emphasis on integrity and regulatory compliance. The basic philosophy of the Company's Code of Corporate Governance is to strengthen stakeholders trust and enhance long term value for shareholders, while respecting the needs and interests of multiple stakeholders.

2. BOARD OF DIRECTORS

Composition of Board

As on 31st March, 2008, the Board consists of eight Directors. The need for having a majority of Non-Executive Directors on the Board is well recognized. This requirement is met by the Board of Uniproducts (India) Ltd as it consists of seven Non-Executive Directors. Moreover, six of the Non-Executive Directors, are Independent (i.e., they have no business relationship with the Company). The Non-Executive Directors, with their diverse knowledge, experience and expertise, provide valuable contribution in the deliberations and decisions of the Board.

Composition, Category, Attendance at Board Meetings and the last Annual General Meeting (AGM):

Directors	Category	No. of Board Meetings during the year		Attended last AGM
		Held	Attended	
Mr. Ravi Mehra	Non-Executive Chairman	06	03	Yes
Dr. Ashwan Kapur	Managing Director	06	06	Yes
Mr. C.K.Hazari	Non-Executive/Independent	06	06	Yes
Mr. Govind Narain	Non-Executive/Independent	06	05	Yes
Dr. Bhaskar Dutta	Non-Executive/Independent	06	06	Yes
Mr. S.L.Kapur	Non-Executive/Independent	06	06	Yes
Mr. A.P. Gandhi	Non-Executive/Independent	06	05	No
Mr. P.R. Khanna	Non-Executive /Independent	06	06	Yes
Mr. M.M. Kohli*	Non-Executive /Independent	06	02	Yes

Six Board Meetings were held during the year – on 05/04/2007, 28/04/2007, 30/07/2007, 05/09/2007, 26/10/2007 and 30/01/2008.

*Mr. M.M. Kohli ceased to be a Director w.e.f. 05/09/2007

Details of Directorships (excluding Private Limited Companies, Foreign Companies, Section 25 Companies and Alternate Directorships) and Memberships/ Chairmanships of only Audit Committees and Shareholders'/ Investors' Grievances Committees of Public Limited Companies held by Directors presently:

Directors	No. of outside Directorship held	No. of Memberships of other Board Committees	No. of Chairmanships of other Board Committees
Mr. Ravi Mehra	Nil	Nil	Nil
Dr. Ashwan Kapur	Nil	Nil	Nil
Mr. C.K.Hazari	3	2	2
Mr. S.L.Kapur	7	2	2
Mr. A.P. Gandhi	8	1	2
Mr. P.R. Khanna	4	5	1
Mr. Govind Narain	Nil	Nil	Nil
Mr. Bhaskar Dutta	Nil	Nil	Nil



None of the Directors hold Chairmanship in more than 5 Committees & memberships in more than 10 Committees, except the membership in Committees which are not included for reckoning the limit prescribed under the Corporate Governance.

Details of Directors seeking appointment / reappointment as required under Clause 49 of the Listing Agreement with the Stock Exchanges:

Mr. C. K. Hazari

Age : 85 years
Qualification : B.Com & A.C.A
Experience : 58 years

As Chartered Accountant, Mr. Hazari had started his career as a Practicing Chartered Accountant. After practicing for 3 years, he joined and served Escorts Ltd. for almost 32 years and retired from the post of Joint Managing Director. Mr. Hazari has been a member of Board of Directors of several public companies over the past 20 years. During his illustrious career, he served as Chairman of PHD Chamber of Commerce and Industry, President of Institute of Internal Auditors, Delhi Chapter, Vice President & Director of Institute of Internal Auditors-India/Pacific Region, Member of Industrial Development Bank of India, Advisory Committee Northern Region, Director of Haryana State Industrial Development Corporation, Member of Central Board of Trustees, Employees Provident Fund, Member of Export & Import Study Group of Reserve Bank of India.

Mr. C.K. Hazari holds 400 Shares of the Company. Mr. C.K. Hazari has served on the Company's Board since 1984.

Details of Directorships and Board Committee memberships in other companies presently:

Name of the Company	Nature of Interest	Committee Membership/Chairmanship		
		Audit Committee	Share transfer/ Investors Grievance Committee	Remuneration Committee
M/s. Samtel India Ltd.	Director	Member	Chairman	
M/s. PNR Capital Services Ltd.	Director	-	-	-
M/s H.B. Estate Developers Ltd.	Director	Chairman	Member	Chairman

Mr. P. R. Khanna

Age : 75 years
Qualification : B.Com (H), F.C.A
Experience : 53 years

Mr. Khanna started his career in 1956 as a practicing Chartered Accountant. He was a senior partner in Khanna & Annadhanam, Chartered Accountants, and retired in May, 1998. He was also Partner Incharge from 1985 to 1996 of the Delhi Office of Deloitte Haskins & Sells, Chartered Accountants, which was part of the International firm of Deloitte Touche. He has vast experience & knowledge in finance, accounting, company law and corporate consultancy matters. During his illustrious career, he served as Chairman, NIRC & Member, Central Council of the ICAI. He also served as Chairman of the Company Law Committee, Member of the Accounting Standards etc. of the ICAI. He had also acted as Member, Board of Trustees of UTI and a Director of State Bank of India. Mr. Khanna has been a member of the Board of Directors of several reputed companies viz. SBI Capital Markets Ltd., Godfrey Philips India Ltd., Punjab Tractors Ltd. etc. He is presently member of the Governing Body of Shri Ram College of Commerce, Delhi & Shriram Industrial and Scientific Research Foundation.

Mr. Khanna does not hold any shares in the Company.

Details of Directorships and Board Committee memberships in other companies presently:

Name of the Company	Nature of Interest	Committee Membership/Chairmanship		
		Audit Committee	Share transfer/ Investors Grievance Committee	Remuneration Committee
Indag Rubber Ltd.	Director	Member		Member
Ansal Properties & Infrastructure Ltd.	Director	Member	Member	Member
DCM Shri Ram Industries Ltd.	Director	Chairman	Member	Member
UTI Asset Management Co. Ltd.	Director	Member	–	–

3. CODE OF CONDUCT

The Company has formulated and implemented a Code of Conduct for all Board members and Senior Management personnel of the Company in compliance with Clause 49 of the Listing Agreement. The Board members and Senior Management personnel have affirmed compliance with the Company's Code of Conduct for the year 2007-2008. The said Code of Conduct has been posted on the website of the Company.

4. AUDIT COMMITTEE

The terms of reference of the Audit Committee include, inter alia, overseeing the Company's financial reporting process, internal control systems, reviewing the accounting policies and practices, reports of the Company's internal auditors and financial statements audited by the statutory auditors, as also reviewing financial and risk management policies.

The Audit Committee comprises three Independent & Non-Executive Directors. The constitution of the Audit Committee also meets with the requirement of Section 292A of the Companies Act, 1956. The terms of reference stipulated by the Board to the Audit Committee are as contained in Clause 49 of the Listing Agreement.

Four Audit Committee Meetings were held during the year – on 27/04/2007, 26/07/2007, 22/10/2007 and 24/01/2008.

Composition and attendance details of each member at the Audit Committee meeting:

Name of Director	Category	Position Held	No. of Committee Meeting	
			Held	Attended
Mr. Govind Narain	Non-Executive & Independent	Chairman	04	04
Mr. C.K. Hazari	Non-Executive & Independent	Member	04	03
Mr. S.L. Kapur	Non-Executive & Independent	Member	04	04

5. REMUNERATION COMMITTEE

The Remuneration Committee was constituted on 31st July, 2003 and was reconstituted on 11th April, 2006. Presently, the Remuneration Committee comprises four members, of which three are independent and one is a Non-Executive Director. Mr. Govind Narain is the Chairman and Mr.C.K.Hazari, Mr.S.L.Kapur and Mr. Ravi Mehra are the other members. The Remuneration Committee determines the Company's policy on specific remuneration packages for Executive Directors.



Composition and attendance details of each member at the Remuneration Committee meeting:

Name of Director	Category	Position Held	No. of Committee Meeting Held	Attended
Mr. Govind Narain	Non-Executive & Independent	Chairman	Nil	Nil
Mr. C.K. Hazari	Non-Executive & Independent	Member	Nil	Nil
Mr. Ravi Mehra	Non-Executive Chairman	Member	Nil	Nil
Mr. S.L. Kapur	Non-Executive & Independent	Member	Nil	Nil

6. REMUNERATION OF DIRECTORS:

Remuneration of Managing Director

The details of remuneration paid to the Managing Director for the financial year 2007-2008 is as follows:

Name of Director	Salary (Rs.)	House Rent Allowance (Rs.)	Contribution to Provident Fund (Rs.)	Commission (Rs.)	Other perquisites (Rs.)	Total (Rs.)
Dr. Ashwan Kapur	24,00,000	14,40,000	2,88,000	5,95,836	4,31,374	51,55,212

Notes : a. The agreement with the Managing Director is for 3 years w.e.f. 01.08.2006.

b. The Company has not introduced any stock options for its Directors.

Remuneration of Non-Executive Directors

The Non-Executive Directors, apart from receiving sitting & incidental fees for attending Board Meetings and Audit Committee Meetings, do not have any other material pecuniary relationship or transaction with the Company. Non-Executive Directors were paid sitting fees of Rs. 8,000 and incidental expenses of Rs. 2,000 for each Board Meeting and Audit Committee Meeting attended by them. The details of remuneration paid to the Non-Executive Directors for the financial year 2007-2008 are as follows:

Name of Director	Sitting Fee + Incidental Exp. (in Rs.)	
	Board Meeting	Audit Committee Meeting
Mr. Ravi Mehra	Nil	Not a member
Mr. C.K.Hazari	48,000	24,000
Mr. Govind Narain	40,000	32,000
Dr. Bhaskar Dutta	48,000	Not a member
Mr. M.M.Kohli	16,000	Not a member
Mr. S.L.Kapur	48,000	32,000
Mr. A.P. Gandhi	40,000	Not a member
Mr. P.R. Khanna	48,000	Not a member

Details of shares held by the Non-Executive Directors as on 31st March, 2008

1. Mr. Govind Narain- 800 equity shares
2. Mr. C.K. Hazari – 400 equity shares
3. Mr. Ravi Mehra - Nil
4. Dr. Bhaskar Dutta - Nil
5. Mr. M.M. Kohli - Nil

6. Mr. S.L. Kapur - Nil
7. Mr. A.P. Gandhi - Nil
8. Mr. P.R. Khanna - Nil

7. COMPENSATION COMMITTEE

In pursuance to the requirement of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 a Compensation Committee was constituted on 7th October, 2005, for administration and superintendence of the ESOS. The Compensation Committee was reconstituted on 26.10.2007 comprises two Independent and Non-Executive Directors viz. Mr.A.P. Gandhi and Dr. Bhaskar Dutta and one Non-Executive Director, Mr. Ravi Mehra.

8. RIGHTS ISSUE COMMITTEE

For the purpose of implementation and administration of the Rights Issue of the Company, including, inter alia, the adoption of Letter of Offer, appointment of Bankers, Registrars, Advertising Agency, Printers, consider the basis of allotment, opening of Bank Account for refund of application money for rights issue purpose etc, a Rights Issue Committee was constituted on 21st November'06 and was reconstituted on 22nd May'06. Presently, the Rights Issue Committee comprises Dr. Ashwan Kapur, Managing Director, Dr. Bhaskar Dutta, Non-Executive & Independent Director & Mr. C.K. Hazari, Non-Executive & Independent Director of the Company. The Committee met on 20th April, 2007 and approved the basis of allotment.

9. BORROWING COMMITTEE

The Board has constituted a Borrowing Committee comprising Dr. Ashwan Kapur, Managing Director, Mr. S.L.Kapur, Independent and Non Executive Director and Mr. P.R.Khanna, Independent and Non Executive Director.

The Committee, inter alia, approves borrowing of money from banks and/or financial institutions for the purposes of working capital and term loan requirements of the Company and evaluates and accepts the offers made by/or banks and financial institutions in this regard.

The Committee met thrice during the year for the purposes of working capital and term loan requirements of the Company.

10. DELISTING COMMITTEE

For the purpose of implementation and administration of the delisting of the Company, including, inter-alia, the adoption of Offer Letter for Delisting, Public Announcement, appointment of Bankers, Registrars, Appointment of Depository Participant, Advertising Agency, Printers, opening and closing of Fund Escrow Accounts and Securities Escrow Account, etc, a Delisting Committee was constituted on 28th April'2007 and Delisting Committee comprises Dr. Ashwan Kapur, Managing Director, Dr. Bhaskar Dutta, Non-Executive & Independent Director & Mr. C.K. Hazari, Non-Executive & Independent Director of the Company.

The Committee met twice during the year after its composition to consider various issues relating to delisting.

11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year ended March 31, 2008 is published separately in this Annual Report.

12. SHARE TRANSFER AND SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Share Transfer and Shareholders/Investors Grievance Committee comprises three Non-Executive & Independent Directors and one Executive Director. Mr. S.L. Kapur, Non- Executive & Independent Director, is the Chairman of this Committee.



Composition and attendance details of each member at the Share Transfer and Shareholders/ Investors Grievance Committee meeting:

Name of Director	Category	Position Held	No. of Committee Meeting	
			Held	Attended
Mr. S.L. Kapur	Non-Executive & Independent	Chairman	23	23
Dr. Ashwan Kapur	Executive	Member	23	23
Mr. C.K. Hazari	Non-Executive & Independent	Member	23	23
Dr. Bhaskar Dutta	Non-Executive & Independent	Member	23	23

The Board had designated Ms. Preeti Gandhi, Company Secretary, as Compliance Officer.

The Committee approves and monitors transfers, transmissions, issue of duplicate certificates, splits, consolidation of shares and allied matters, and also investigates and directs redressal of shareholders' grievances in respect of dividend payment. The Committee meets regularly and requests for transfer/transmission received are processed within 15 days from the date of receipt. The Committee oversees the performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services. The minutes of the Shareholders/Investors Grievance Committee are circulated and noted by the Directors at the Board Meeting. A total of 9 complaints/queries of shareholders/investors were received and all of them were resolved.

13. GENERAL BODY MEETINGS

The details of the last three Annual General Body Meetings are as under :

Financial Year	Venue	Day	Date	Time
2004-2005	Registered Office of the Company at 84 Km Stone, Delhi-Jaipur Road Distt. Rewari, Haryana – 123 401	Friday	August 12, 2005	11.30 A.M.
2005-2006	–Do–	Monday	August 14, 2006	11.30 A.M.
2006-2007	–Do–	Wednesday	September 05, 2007	11.30 A.M.

No special resolution was passed in the year 2004-05.

One Special Resolution was passed in the year 2005-06

No Special Resolution was passed in the year 2006-07 .

No Special Resolutions were implemented through postal ballot during the year under review, nor are any such resolutions presently proposed.

14. DISCLOSURES

There were no related party transactions of a materially significant nature that may have potential conflict with the interests of the Company at large.

There were no strictures or penalties imposed on the Company by SEBI, or any other statutory authority, for non-compliance on any matter related to capital markets during the last three years.

The Company has, for the time being, not established a Whistle Blower Policy.

All mandatory requirements (except where not relevant or applicable) of Corporate Governance have been complied.

Of the non-mandatory suggestions, Remuneration Committee has been adopted and other non-mandatory suggestions have not been adopted.

15. MEANS OF COMMUNICATION

The Company publishes its financial results in the Financial Express, Jansatta, Hari Bhoomi and Danik Tribune. The financial results are also displayed on the Company's website www.unitexindia.com.

The Company does not display official news releases on its web site.

16. GENERAL SHAREHOLDER INFORMATION

1. **Annual General Meeting** : 05th September, 2008, Friday
Date, Time & Venue : 11:30 A.M. at the Registered Office
2. **Financial Calendar (Tentative)**
 - Financial reporting for the quarter ending on June 30, 2008 : Last week of July, 2008
 - Financial reporting for the quarter ending on Sept. 30, 2008 : Last week of Oct., 2008
 - Financial reporting for the quarter ending on Dec. 31, 2008 : Last week of Jan., 2009
 - Financial reporting for the year ending on March 31, 2009 : Last week of April, 2009
3. **Book Closure Date** : 01st September, 2008 to
05th September, 2008
(both days inclusive)
4. **Payment Date of Dividend** : On or after 05th September, 2008
5. **Registered Office** : Jarthal Village Road, 84 Km. Stone,
Delhi-Jaipur Road, P.O.Sangwari,
Distt. Rewari, Haryana -123 401
6. **Listing on Stock Exchanges (Equity Shares)** : **Stock Code**
The Stock Exchange, Mumbai : 507856
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
Demat ISIN Number in NSDL & CDSL for Equity Shares : INE715C01011
Listing fees have been paid for the financial year 2008-09.

7. Stock Market Data

Month	Mumbai Stock Exchange	
	High	Low
April 2007	49.00	39.40
May 2007	63.75	41.30
June 2007	66.00	50.00
July 2007	54.90	50.00
August 2007	60.00	46.60
September 2007	55.00	42.00
October 2007	57.70	45.25
November 2007	54.30	44.10
December 2007	67.20	47.10
January 2008	87.00	42.00
February 2008	49.40	43.00
March, 2008	49.35	36.05

Source : www.bseindia.com

8. Registrar & Transfer Agent (both for physical and demat shares)

In line with the directions issued by the Securities and Exchange Board of India, the entire share related work for physical as well as demat shares is handled by a SEBI registered Registrar and Transfer Agent – MAS Services Private Ltd. Their contact details are as under:

**MAS Services Private Limited**

AB-4, Safdarjung Enclave
New Delhi - 110 029
Tel : 011-26104142
Fax: 011-26181081
E-mail : mas_serv@yahoo.com

9. Share Transfer System

To expedite the transfer in physical segment, authority has been delegated to the Share Transfer and Shareholders/Investors Grievance Committee of the Board. The Committee ensures a predetermined process cycle at 15 days interval and despatch of transferred share certificates within 5 working days from the date of transfer.

10. Dematerialisation of Shares and Liquidity

Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. January 29, 2001, as per notification issued by the Securities and Exchange Board of India.

As on March 31, 2008, 8.51% (7,44,097 Shares) of equity shares have been dematerialized.

11. Distribution of Shareholding as on March 31, 2008

Shareholding of Nominal Value of Rs.	Shareholders (Nos.)	Shareholders (%)	No. of Shares held	Shareholding (%)
Upto 5,000	3486	94.703	429998	4.918
5,001 - 10,000	102	2.771	81827	0.936
10,001 - 20,000	50	1.358	80702	0.923
20,001 - 30,000	10	0.272	25315	0.290
30,001 - 40,000	09	0.244	32297	0.369
40,001 - 50,000	05	0.136	22817	0.261
50,001 - 100,000	05	0.136	43250	0.495
Above 100,000	14	0.380	8026974	91.808
Total	3681	100.00	8743180	100.00

12. Shareholding pattern as on March 31, 2008

Category	No. of shares held	Shareholding (%)
Promoters – Indian Promoters	605133	6.92
Foreign Promoter (OCB)	6413925	73.36
Persons acting in concert	356100	4.07
Banks/ Financial Institutions	62942	0.72
Private Corporate Bodies	187446	2.14
Non-Resident Indians	1813	0.02
Indian Public	733221	8.39
Others- Uniproducts India Employees Welfare Trust	380000	4.35
Others – Clearing Member	2600	0.03
Total	8743180	100.00

13. Details on use of public funds obtained in the last three years : Funds have been raised from the public in the last year and same have been utilized by the Company as per the the disclosure given in the Annual Report 2007-08.

Outstanding GDR/ ADR/ Warrants & Convertible instruments, conversion date & likely impact on the equity : Company has not issued any GDR/ADR/Warrants or Convertible instruments

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- 14. Registered Office and Plant I Location** : Uniproducts (India) Ltd.
Jarthal Village Road, 84 Km Stone, Delhi-Jaipur Road,
P.O.Sangwari, Distt. Rewari, Haryana- 123 401
Tel : 01274-249348/49/50
Fax : 01274-249347
E-mail : uniproducts@unitexindia.com
- 15. Investors Correspondence and Plant II Location** : Uniproducts (India) Ltd.
C - 15, Sector 57, Noida Industrial Area,
Noida - 201 307, U.P.
Tel : +91-120-2585097, 2585590-91, 2587176-77
Fax : +91-120-2585031
E-mail : uniproducts@unitexindia.com
Website : www.unitexindia.com
- 16. Head Office** : Uniproducts (India) Ltd.
Khasra No. 360-361, Main Road
Village Jonapur, Mehrauli,
New Delhi – 110 047
Tel : +91-11-26658203, 26658086
E-mail : uniproducts@unitexindia.com
- 17. For transfer/demat/ rematerialisation of shares, change of address etc.** : MAS Services Pvt. Ltd.
AB-4, Safdarjung Enclave,
New Delhi - 110 029
Tel : 011-26104142, 26104292
Fax : 011-26181081
E-mail : mas_serv@yahoo.com
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AUDITORS' REPORT ON CORPORATE GOVERNANCE

To the Members of Uniproducts (India) Ltd.

We have examined the compliance of the conditions of Corporate Governance by **Uniproducts (India) Ltd.** for the year ended 31st March, 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement. We state that in respect of investor grievances received during the year ended 31st March, 2008, no investor grievances are pending against the Company for a period exceeding one month as per records maintained by the Company which are presented to the Shareholders/Investors Grievance Committee.

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

For **S. N. DHAWAN & COMPANY**
Chartered Accountants

SURESH SETH
Partner

Place : New Delhi
Dated : 24th July, 2008

Membership No. : 10577



AUDITORS' REPORT

To The Members of
Uniproducts (India) Limited

1. We have audited the attached Balance Sheet of Uniproducts (India) Limited as at March 31, 2008, the Profit & Loss Account and also 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.
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. As required by the Companies (Auditor's Report) Order, 2003, as amended, 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 paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the directors, as on March 31, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, 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:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2008
 - ii) in the case of the Profit & Loss Account, of the Profit for the year ended on that date and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **S. N. DHAWAN & COMPANY**
Chartered Accountants

Place : New Delhi
Dated : 24th July, 2008

SURESH SETH
Partner
Membership No. : 10577

Annexure referred to in paragraph 3 of our Report of even date on the Accounts of Uniproducts (India) Limited, for the year ended March 31, 2008.

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to information and explanations given to us, physical verification of fixed assets is being conducted in a phased manner by the management under a programme designed to cover all the fixed assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies noticed on such verifications were not material and have been properly dealt with in the books of accounts.
- (c) According to the information and explanations given to us, the Company has not disposed off a substantial part of fixed assets during the year under review.
- ii) (a) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year, except for materials lying with third parties for which certificates confirming stocks held by them have been obtained in most of the cases.
- (b) In our opinion and according to information and explanations given to us, the procedures of physical verification of inventories 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 information and explanations given to us, the Company has maintained proper records of its inventories. Discrepancies noticed on physical verification of inventories were not material and have been properly dealt with in the books of account.
- iii) (a) According to the information and explanations given to us, the Company has neither granted nor taken any loan, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, provisions of clause (iii) (b) to (iii) (g) of Paragraph 4 of the Order are not applicable to the Company.
- 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, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the internal control systems.
- v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for items stated to be of a specialised nature where no comparison is possible.
- vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which provisions of Section 58A and 58AA of the Companies Act, 1956, and Companies (Acceptance of Deposits) Rules, 1975 apply. Accordingly, the provisions of clause (vi) of Paragraph 4 of the Order are not applicable to the Company.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies act, 1956. Therefore, provisions of clause (viii) of Paragraph 4 of the Order are not applicable to the Company.
- ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.



UNIPRODUCTS (INDIA) LTD.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess were in arrears, as at March 31, 2008 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the details of statutory dues of income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess which have not been deposited on account of any dispute are given below:

Name of the Statute	Nature of the Dues	Amount (In Rs.)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty	3,50,16,778	1999-2008	-Assistant/Deputy Commissioner
		15,17,16,666	2001-2008	-Commissioner
Income Tax Act, 1961	Income Tax	7,20,857	2000-2001	-Commissioner appeal
		1,81,256	2002-2003	
		241,556	2003-2004	
The Central Sales Tax Act, 1956	Sales Tax	5,78,748	1987-1989	-Assistant Commissioner (Appeal)
		2,25,64,674	2000-2005	-Assistant Commissioner (Appeal)

- x) The Company has no accumulated losses and has not incurred cash losses at the end of the financial year covered by our audit and in 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 a financial institution or bank or debenture holders.
- xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, provisions of clause (xiii) of Paragraph 4 of the Order are not applicable to the Company.
- xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of Paragraph 4 of the Order are not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by others from banks and financial institutions, are not prima facie prejudicial to the interest of the Company.
- xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the term loans availed by the Company were applied for the purposes for which the loans were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the no funds raised on short-term basis have been used for long term investment.
- xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures during the year. Therefore, the provisions of clause (xix) of Paragraph 4 of the Order are not applicable to the Company.
- xx) We have verified that the end use of money raised by public issue as is disclosed in Note 23 of Schedule 14 "Significant Accounting Policies & Notes to the Accounts".
- xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **S. N. DHAWAN & COMPANY**
Chartered Accountants

SURESH SETH
Partner

Membership No. : 10577

Place : New Delhi
Dated : 24th July, 2008

BALANCE SHEET AS AT MARCH 31, 2008

	SCHEDULE	AS AT MARCH 31, 2008 Rs.	AS AT MARCH 31, 2007 Rs.
SOURCES OF FUNDS			
Share Holders' Fund			
Share Capital	1	8,74,31,800	4,52,52,540
Share Application Money Pending Allotment		–	16,87,61,723
Reserves & Surplus	2	40,74,53,955	25,96,32,372
Loan Funds			
– Secured	3	55,61,68,561	52,89,60,695
– Unsecured		5,70,00,000	–
– Deferred Tax Liabilities (Net) (Refer Note No. 6 of Schedule 14)		5,49,23,540	4,85,85,826
TOTAL		1,16,29,77,856	1,05,11,93,156
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	1,22,92,61,289	88,57,03,442
Less : Depreciation and Amortisation		33,03,95,460	27,24,91,096
Net Block		89,88,65,830	61,32,12,346
Capital Work-in-Progress		1,62,80,326	12,38,45,152
Total Fixed Assets		91,51,46,156	73,70,57,498
Investments	5	1,13,40,000	1,13,40,000
Current Assets, Loans & Advances			
Inventories	6	18,40,43,142	13,61,11,171
Sundry Debtors		18,37,92,230	17,13,35,293
Cash & Bank Balances		1,02,68,081	13,84,94,809
Loans & Advances		12,06,83,818	8,36,45,752
		49,87,87,271	52,95,87,025
Less Current Liabilities & Provisions			
Current Liabilities	7	21,92,66,372	19,23,79,948
Provisions		4,30,29,198	3,44,11,419
Net Current Assets		23,64,91,700	30,27,95,658
TOTAL		1,16,29,77,856	1,05,11,93,156
Significant Accounting Policies and Notes to the Accounts			
	14		

Dr. ASHWAN KAPUR
Managing Director

C. K. HAZARI
Director

As per our report of even date
For S. N. DHAWAN & COMPANY
Chartered Accountants

PREETIGANDHI
Company Secretary

ADITYA CAPOOR
Vice President (Finance)

SURESH SETH
Partner
Membership No. 10577

Place : New Delhi
Date : 24th July, 2008



UNIPRODUCTS (INDIA) LTD.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE	YEAR ENDED MARCH 31, 2008 Rs.	YEAR ENDED MARCH 31, 2007 Rs.
INCOME		
Sales (Gross)	1,32,15,71,894	1,18,34,65,186
Less : Excise Duty	12,47,65,117	10,91,44,566
Sales (Net)	1,19,68,06,777	1,07,43,20,620
Other Income	1,50,21,977	1,20,67,552
Increase/(Decrease) in Work-in-Progress & Finished Goods	1,85,21,226	3,18,407
	1,23,03,49,979	1,08,67,06,579
EXPENDITURE		
Materials, Manufacturing & Operating	89,45,65,923	80,39,91,755
Personnel	9,33,76,863	7,00,71,751
Sales & Administration	9,53,52,660	8,47,60,979
Interest & Finance Charges	3,48,42,786	2,63,28,223
Miscellaneous Expenditure Written off	—	12,90,000
Depreciation and Amortisation	6,12,26,256	4,93,09,033
Less : Transfer from Revaluation Reserve	24,04,593	18,31,516
	5,88,21,663	4,74,77,517
	1,17,69,59,895	1,03,39,20,225
Profit for the year	5,33,90,085	5,27,86,354
Prior Period Expenditure	2,88,453	6,47,617
Profit Before Tax	5,31,01,632	5,21,38,737
Provision for Income Tax		
Current Tax	60,16,415	58,49,966
Deferred Tax	63,37,714	1,12,48,490
Fringe Benefit Tax	16,35,578	10,88,415
Profit After Tax	3,91,11,925	3,39,51,866
Surplus Brought Forward	5,14,83,485	3,24,13,456
Profit available for appropriation	9,05,95,410	6,63,65,322
Appropriations		
Proposed Dividend	1,04,91,816	1,04,91,816
Tax on Proposed Dividend	17,83,084	17,83,084
General Reserve	26,55,082	26,06,937
Surplus carried to the Balance Sheet	7,56,65,428	5,14,83,485
Basic Earning Per Share	4.59	7.50
Diluted Earning Per Share	4.47	7.50
Significant Accounting Policies and Notes to the Accounts	14	

Dr. ASHWAN KAPUR
Managing Director

C. K. HAZARI
Director

As per our report of even date
For **S. N. DHAWAN & COMPANY**
Chartered Accountants

PREETIGANDHI
Company Secretary

ADITYA CAPOOR
Vice President (Finance)

SURESH SETH
Partner
Membership No. 10577

Place : New Delhi
Date : 24th July, 2008

SCHEDULE 1 TO 14 FORM AN INTEGRAL PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

	AS AT MARCH 31, 2008 Rs.		AS AT MARCH 31, 2007 Rs.
SCHEDULE 1 : SHARE CAPITAL			
Authorised			
1,20,00,000 (Previous year 1,20,00,000) Equity Shares of Rs. 10/- each	12,00,00,000		12,00,00,000
Issued, Subscribed & Paid up			
87,43,180 (Previous year 45,25,254) Equity Shares of Rs. 10/- each fully paid up	8,74,31,800		4,52,52,540
Out of the above shares issued, 64,13,925 (Previous year 27,60,216) of Rs. 10/- each fully paid up are held by Uniproducts Mauritius Ltd., the Holding Company.			
SCHEDULE 2 : RESERVES & SURPLUS			
Securities Premium Account			
As per last year Balance Sheet	43,24,287	80,93,500	
Add : Premium on issue of Equity Shares	12,65,37,780	-	
Less : Right Issue Expenses	31,48,628	<u>37,69,213</u>	43,24,287
Capital Reserve	15,50,000		15,50,000
Revaluation Reserve			
As per last year Balance Sheet	3,61,83,428	3,80,14,944	
Less : Transferred to Depreciation Account	24,04,593	<u>18,31,516</u>	3,61,83,428
General Reserve			
As per last year Balance Sheet	16,60,91,171	16,34,84,235	
Add : Transferred from Profit & Loss Account	26,55,082	<u>26,06,937</u>	16,60,91,172
Surplus, being balance as per Profit & Loss Account	7,56,65,428		<u>5,14,83,485</u>
	40,74,53,955		<u>25,96,32,372</u>
SCHEDULE 3 : LOAN FUNDS			
Secured			
a) From Banks			
- Cash Credit	25,29,81,686		22,72,50,350
- Term Loans	28,22,64,066		29,08,76,492
- Vehicle Loan	1,60,45,177		59,56,221
b) Other Term Loans			
	48,77,632		48,77,632
	55,61,68,561		<u>52,89,60,695</u>



UNIPRODUCTS (INDIA) LTD.

NOTES:

- Cash Credit facilities from banks are secured by hypothecation of inventories and book debts, both present and future, and by way of mortgage of all movable properties on pari-passu basis.
- Term Loans from banks are secured by way of mortgage by deposit of respective title deeds in respect of all the Company's immovable properties, both present & future, on a pari-passu basis.
- Vehicle Loan is secured by way of hypothecation of vehicle financed.
- Other Term Loans : The Company has entered into an agreement with BTRA, Government of India and the United Nation Development Programme under which equipment valued at US \$ 7,25,000 (equivalent to Rs. 2,87,53,500) has been given to the Company for use with the stipulation that the amount of US \$ 7,25,000 will be repaid in 9 equated yearly instalments to BTRA commencing from April 1998, whereafter the title of the equipment will pass to the Company. The Company is taking the equipment in its books under Fixed Assets and treating the said amount as interest free loan. The Company has been repaying the loan at a constant INR/USD conversion rate of Rs.39/-, and consequently, the balance amount stated at schedule 3 point (b) above represents the foreign exchange fluctuation, which may be payable by the Company at the time of final settlement. The Company has applied for a NOC to enable the title of the equipment to pass to the Company which is still pending with BTRA.

	AS AT MARCH 31, 2008 Rs.	AS AT MARCH 31, 2007 Rs.
Unsecured		
– Short Term loan from bank	5,70,00,000	–
	5,70,00,000	–

SCHEDULE 4 : FIXED ASSETS

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 1, 2007 Rs.	Additions/ Adjustments Rs.	Deductions/ Adjustments Rs.	As at March 31, 2008 Rs.	Upto April 1, 2007 Rs.	For the Year Rs.	Adjustment during the year Rs.	Upto March 31, 2008 Rs.	As at March 31, 2008 Rs.	As at March 31, 2007 Rs.
Tangible Assets										
Land-Freehold	22,85,009	–	–	22,85,009	–	–	–	–	22,85,009	22,85,009
–Leasehold	2,04,44,550	–	–	2,04,44,550	5,48,574	2,76,333	–	8,24,907	1,96,19,643	1,98,95,976
Buildings	9,38,05,882	3,90,95,254	–	13,29,01,136	1,28,84,581	32,69,907	–	1,61,54,488	11,67,46,648	8,09,21,301
Plant & Machinery	73,85,95,982	28,51,90,123	–	1,02,37,86,105	24,88,57,629	5,28,56,835	–	30,17,14,464	72,20,71,641	48,97,38,353
Furniture & Fixtures	13,91,079	1,87,203	12,67,995	3,10,287	5,82,124	2,65,569	7,42,742	1,04,951	2,05,336	8,08,955
Office Equipments	42,30,530	16,07,626	11,09,128	47,29,028	7,25,919	3,89,366	5,03,540	6,11,745	41,17,283	35,04,611
Vehicles	1,26,19,604	2,09,60,102	13,82,174	3,21,97,532	24,24,436	21,95,281	4,87,867	41,31,850	2,80,65,682	1,01,95,168
Computers	91,02,206	14,38,335	18,53,999	86,86,542	38,84,952	13,82,326	17,81,324	34,85,954	52,00,588	52,17,254
Intangible Assets										
Software	32,28,600	6,92,500	–	39,21,100	25,82,880	7,84,220	–	33,67,100	5,54,000	6,45,720
Sub-Total	88,57,03,442	34,91,71,143	56,13,296	1,22,92,61,289	27,24,91,095	6,14,19,837	35,15,472	33,03,95,460	89,88,65,830	61,32,12,347
Capital Work-in-progress (including Capital Advances)	–	–	–	–	–	–	–	–	1,62,80,326	12,38,45,152
Total	88,57,03,442	34,91,71,143	56,13,296	1,22,92,61,289	27,24,91,095	6,14,19,837	35,15,472	33,03,95,460	91,51,46,156	73,70,57,499
Previous Year	75,15,60,317	13,96,19,289	54,76,164	88,57,03,442	22,71,80,626	4,93,09,033	39,98,564	27,24,91,095		

NOTES:

- Additions to Plant & Machinery include Rs. Nil (Previous year decrease of Rs.10,19,053) on account of exchange fluctuation in respect of foreign currency loans.
- The Company has as on 31.03.03 revalued its Land, Building of Noida unit & Resin Felt Plant at Rewari unit and the amount added on revaluation was Rs. 4,36,83,275.

UNIPRODUCTS (INDIA) LTD.



	AS AT MARCH 31, 2008 Rs.	AS AT MARCH 31, 2007 Rs.
SCHEDULE 5 : INVESTMENTS		
Long term (at cost) :		
Unquoted (Non Trade) :		
Juken Uniproducts Pvt. Ltd.		
11,34,000 Equity Shares of Rs. 10 each fully paid up	<u>1,13,40,000</u>	<u>1,13,40,000</u>
	<u>1,13,40,000</u>	<u>1,13,40,000</u>
SCHEDULE 6 : CURRENT ASSETS, LOANS & ADVANCES		
Inventories (As certified by the Managing Director)		
Stores & Spares	4,65,49,905	3,83,68,040
Raw Materials	5,92,41,962	4,67,73,043
Work in Progress	2,53,49,179	84,91,141
Goods-in-Transit	1,17,37,381	67,21,095
Finished goods	1,60,69,725	1,44,34,658
Trading Goods	<u>2,50,94,990</u>	<u>2,13,23,194</u>
	<u>18,40,43,142</u>	<u>13,61,11,171</u>
Sundry Debtors		
Debts outstanding for over six months		
Unsecured - Considered Good	63,26,172	48,41,842
- Considered Doubtful	<u>4,77,174</u>	<u>6,08,083</u>
	68,03,346	54,49,925
Less Provision for Doubtful Debts	<u>4,77,174</u>	<u>6,08,083</u>
	63,26,172	48,41,842
Other Debts		
Secured	12,72,827	10,48,685
Unsecured Considered Good	<u>17,61,93,231</u>	<u>16,54,44,766</u>
	<u>18,37,92,230</u>	<u>17,13,35,293</u>
Cash & Bank Balances		
Cash in hand	95,249	1,17,891
Cheques in hand	-	90,66,242
Balance With Scheduled Banks on:		
a) Current Account	99,96,722	42,96,843
b) Fixed Deposit	1,76,110	1,76,110
c) UIL- Right Issue Account	-	12,48,37,723
	<u>1,01,72,832</u>	<u>12,93,10,676</u>
	<u>1,02,68,081</u>	<u>13,84,94,809</u>
Loans & Advances		
Secured		
- Loans to employees	13,92,754	1,70,864
Unsecured Considered Good		
- Loan to Uniproducts India Employees Welfare Trust	31,55,000	38,05,000
- Advances recoverable in cash or in kind or for value to be received	6,56,27,676	3,75,76,436
Less: Provision for doubtful Advances	<u>5,21,500</u>	<u>5,21,500</u>
	75,47,550	48,47,403
- Security Deposits	2,02,68,829	2,29,04,677
- Balance with Excise Authorities	2,32,13,509	1,48,62,872
- Advance Income Tax	<u>12,06,83,818</u>	<u>8,36,45,752</u>



UNIPRODUCTS (INDIA) LTD.

	AS AT MARCH 31, 2008 Rs.	AS AT MARCH 31, 2007 Rs.
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SCHEDULE 7 : CURRENT LIABILITIES & PROVISIONS

Current Liabilities

Acceptances	4,04,09,382	2,27,31,574
Sundry Creditors		
- Others	15,02,75,184	14,13,02,376
* Investors Education and Protection Fund shall be credited by the following amounts namely:		
- Unclaimed Dividend	10,82,033	11,19,997
Others Liabilities	1,15,46,758	84,13,128
Advance from Customers	66,55,475	1,11,74,012
Security Deposits Received	48,11,575	44,86,575
Interest accrued but not due on loans	44,85,965	31,52,287
	<u>21,92,66,372</u>	<u>19,23,79,948</u>

Provisions

Proposed Dividend	1,04,91,816	1,04,91,816
Tax on Proposed Dividend	17,83,084	17,83,084
Provision for Income Tax	2,21,26,168	1,44,74,175
Leave Encashment	33,66,027	33,34,411
Gratuity	52,62,103	43,27,933
	<u>4,30,29,198</u>	<u>3,44,11,419</u>

*Actual amount to be transferred to the Investor Education and Protection Fund will be determined on due dates.

	YEAR ENDED MARCH 31, 2008 Rs.	YEAR ENDED MARCH 31, 2007 Rs.
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SCHEDULE 8 : OTHER INCOME

Interest Received	4,68,521	4,37,390
Miscellaneous Income	1,23,43,145	94,70,162
Rent Received (Gross)	21,60,000	21,60,000
(Tax Deducted at Source 5,39,875, Previous year 4,84,704)		
Profit on sale of fixed assets	50,311	-
	<u>1,50,21,977</u>	<u>1,20,67,552</u>

	YEAR ENDED MARCH 31, 2008 Rs.		YEAR ENDED MARCH 31, 2007 Rs.	
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SCHEDULE 9 : INCREASE/(DECREASE) IN WORK-IN-PROGRESS AND FINISHED GOODS

Opening Stocks				
Work-In-Progress	84,91,141		89,42,901	
Finished Goods	<u>1,44,34,658</u>	<u>2,29,25,799</u>	<u>1,36,64,491</u>	<u>2,26,07,392</u>
Less Closing Stocks				
Work-In-Progress	2,53,49,179		84,91,141	
Finished Goods	<u>1,60,97,846</u>	<u>4,14,47,025</u>	<u>1,44,34,658</u>	<u>2,29,25,799</u>
		<u>1,85,21,226</u>		<u>3,18,407</u>

SCHEDULE 10 : MATERIALS, MANUFACTURING & OPERATING

Raw Materials Consumed	66,33,42,958		57,22,01,405	
Cost of Trading Goods	5,42,15,818		5,56,25,609	
Local Area Development Tax	–		19,87,948	
Needles Consumed	86,36,696		52,67,679	
Power, Fuel and Water	8,78,11,675		8,99,88,573	
Repairs & Maintenance :				
a) Plant & Machinery	2,94,52,717		2,86,99,815	
b) Buildings	3,16,180		16,56,858	
c) Others	60,91,792		71,78,871	
Fabrication & Finishing	1,75,76,575		1,44,44,219	
Packing	2,62,42,626		2,54,00,844	
Research & Development	8,07,008		16,09,775	
Excise duty on scrap and Increase/(Decrease) on stock of Finished Goods	71,878		(69,841)	
	<u>89,45,65,923</u>		<u>80,39,91,755</u>	

SCHEDULE 11 : PERSONNEL

Salaries, Wages & Allowances	7,79,50,156		5,88,44,174	
Contribution to				
- Gratuity Fund	15,91,566		8,35,653	
- Provident & Other Funds	<u>92,01,591</u>	<u>1,07,93,157</u>	<u>63,64,839</u>	<u>72,00,492</u>
Leave Encashment	17,44,600		17,77,163	
Staff Welfare	28,88,950		22,49,922	
	<u>9,33,76,863</u>		<u>7,00,71,751</u>	



UNIPRODUCTS (INDIA) LTD.

	YEAR ENDED MARCH 31, 2008 Rs.	YEAR ENDED MARCH 31, 2007 Rs.
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SCHEDULE 12 : SALES AND ADMINISTRATION

Rent	2,85,000	2,85,000
Rates & Taxes	6,38,404	7,84,546
Insurance	32,42,449	39,56,802
Travelling & Conveyance	73,98,838	58,06,150
Printing & Stationery	13,56,926	12,61,338
Office Maintenance	21,62,568	20,76,487
Postage & Telephone	28,98,676	26,44,222
Legal and Professional	33,08,484	34,70,869
Vehicle Running & Maintenance.	55,59,679	45,23,576
Miscellaneous	47,50,655	28,28,723
Foreign Currency Fluctuation	4,60,870	2,50,082
Bank Charges	23,25,251	26,48,823
Commission & Discount	80,20,707	75,48,820
Advertisement & Sales Promotion	16,71,344	14,21,805
Freight & Forwarding	4,38,48,547	3,38,15,990
Selling & Distribution	49,27,414	53,87,559
Loss on fixed Assets sold/discarded	13,77,102	5,90,256
Electricity	5,77,873	1,30,781
Royalty	–	9,23,250
Inventories Written off	2,01,615	18,83,132
Bad Debts	2,35,584	20,01,268
Provision for Doubtful Debts/Advances	1,04,675	5,21,500
	<u>9,53,52,660</u>	<u>8,47,60,979</u>

SCHEDULE 13 : INTEREST & FINANCE CHARGES

Interest on Term Loans from Banks	70,40,697	1,06,75,450
Others	2,78,02,089	1,56,52,773
	<u>3,48,42,786</u>	<u>2,63,28,223</u>

SCHEDULE 14 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

I. ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention, in accordance with applicable accounting standards and relevant presentational requirements of the Companies Act, 1956.

II. FIXED ASSETS, DEPRECIATION AND AMORTISATION

Tangible Assets :

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost of Acquisition or Construction is inclusive of freight, duties, taxes, and other incidental expenses but excluding CENVAT in so far as this is available for set off against excise duty. Depreciation is charged on pro-rata basis at the Straight Line Method rates prescribed in Schedule XIV of the Companies Act, 1956 except leasehold land which is amortised over the lease period. Items costing Rs. 5000/- or less have been fully depreciated in the year of purchase.

Intangible Assets:

Acquired intangible assets are valued at cost less accumulated amortisation and any impairment losses and amortised over a period of five years on the basis of estimated economic life.

III. INVENTORY VALUATION

Raw Materials, Stores & Spares are stated at lower of cost or net realisable value.

Work in Progress and Stock of Finished & Trading goods are stated at lower of cost or net realisable value.

In determining the cost of raw materials, stores & spares weighted average cost method is used while in the case of trading goods FIFO method is used.

Work in progress and finished goods include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

IV. RESEARCH & DEVELOPMENT

Revenue expenditure incurred for R&D is charged to the Profit and Loss Account. Fixed assets purchased for R&D activities are capitalised in the year the same are put to use.

V. EMPLOYEE BENEFITS

i) Defined Contribution Plan :

Employees benefits in the form ESIC and Labour welfare Fund are considered as defined contribution plan and the contributions are charged to the Profit and Loss Account of the Year when the contribution to the respective funds are due.

ii) Defined Benefit Plan :

Retirement benefits in the form of Gratuity is considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

iii) Other Long Term Benefits :

Long term compensated absences are provided for on the basis of actual liability as at the date of the Balance Sheet.

Actuarial gain/losses, if any, are immediately recognized in the Profit and Loss Account.

VI. FOREIGN CURRENCY TRANSACTIONS

Transaction in foreign currency are recorded at the exchange rates prevailing at the dates of the transactions. Gains/losses arising out of fluctuation in exchange rates on settlement are recognised in the Profit and Loss Account.

Foreign currency monetary assets & liabilities are restated at the exchange rate prevailing at the year end and the overall net gain/loss is adjusted to the Profit & Loss Account.

VII. DEFERRED TAX

Deferred Tax is recognised, subject to consideration of prudence, on timing differences, representing the difference between the taxable income/(loss) and the accounting income/(loss) that originated in



one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets and liabilities are measured using tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax assets viz. unabsorbed depreciation and carry forward losses are recognised if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

VIII. BORROWING COST

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of cost of such assets upto the date the assets are ready for their its intended use. All other borrowing costs are recognised as an expense in the year in which they are incurred.

IX. PROVISIONS AND CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- the Company has a present obligation as a result of a past event,
- a probable outflow of resources is expected to settle the obligation and
- the amount of obligation can be reliably estimated.

Reimbursements expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent Liability is disclosed in case of

- a present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- a possible obligation, of which the probability of outflow of resources is remote.

Contingent Assets are neither recognised nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

X. IMPAIRMENT OF ASSETS

Impairment is ascertained at each balance sheet date in respect of Cash Generating Units. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

- Computation of Net Profit in accordance with Section 198 of the Companies Act 1956 for calculation of Managerial Remuneration:

	YEAR ENDED MARCH 31, 2008 Rs.	YEAR ENDED MARCH 31, 2007 Rs.
Profit as per Profit & Loss Account	5,31,01,632	5,21,38,737
Add : Directors remuneration including perquisites	51,55,212	43,50,933
Add : Loss on fixed assets sold/discarded (Net)	13,26,791	5,90,256
	<u>5,95,83,635</u>	<u>5,70,79,926</u>
1% Commission to Managing Director	5,95,836	5,70,799
3. Contingent Liabilities not provided for in respect of		
i. Letters of Credit	6,67,14,197	3,34,25,143
ii. Bank Guarantees	7,21,00,000	1,14,98,000
iii. Excise duty show cause notices contested by the Company	18,67,33,444	14,24,03,396
iv. Demands against the Company not acknowledged as debts and not provided for in respect of which the Company is in appeal		
- Sales Tax	2,31,43,417	2,31,43,417
- Income Tax	11,43,669	11,43,669

In respect of item (iii) to (iv) future cash outflows in respect of contingent liabilities is determinable only on receipt of judgement pending at various forums/authorities.

4. Advance recoverable (Schedule 6) includes an amount of Rs. 24,04,829/- (Previous year Rs. 24,04,829/-) being excise duty paid under protest to the central excise deptt. upto 31.10.98. The company has filed an appeal with the CESTAT, New Delhi.
5. Interest amounting to Rs. 36,98,038/- received during the year under Technology Up-gradation Fund Scheme (TUFS) for the financial year 2005-06 and 2006-07 has been netted off against the interest expenditure of the current year under schedule 13.

6. Deferred Tax

Breakup of net deferred tax liabilities as at March 31, 2008 is as follows:

	Deferred Tax Assets/ (Liabilities) As at 01.04.07	(Charge)/Credit during the year	Deferred Tax Assets/ (Liabilities) As at 31.03.08
Depreciation	(5,89,11,486)	(1,27,17,979)	(7,16,29,465)
Disallowance u/s 43B	21,65,042	3,28,271	24,93,313
Unabsorbed Loss	(18,24,638)	–	(18,24,638)
Provision for Doubtful debts	2,07,994	35,579	2,43,573
Mat Credit available	97,77,262	60,16,415	1,57,93,677
	<u>(4,85,85,826)</u>	<u>(63,37,714)</u>	<u>(5,49,23,540)</u>

7. Earning per share (EPS)

	YEAR ENDED MARCH 31, 2008 Rs.	YEAR ENDED MARCH 31, 2007 Rs.
(A) Net profit after tax available for Equity Shareholders	3,91,11,925	3,39,51,866
(B) (i) Opening Balance of Equity Share	45,25,254	45,25,254
Add : Weighted factor for 42,17,926 Equity Share issued to existing shareholders on 20.04.2007	39,87,438	–
Weighted Average Number of Equity Shares (viz. denominator) for Basic Earning Per Share	<u>85,12,692</u>	<u>45,25,254</u>
(B) (ii) Opening Balance of Equity Share	45,25,254	45,25,254
Add : Weighted factor for 42,17,926 Equity Share issued to existing shareholders on 20.04.2007	42,17,926	–
Weighted Average Number of Equity Shares (viz. denominator) for Diluted Earning Per Share	<u>87,43,180</u>	<u>45,25,254</u>
(C) Nominal Value Per Share	10.00	10.00
(D) (i) Basic Earning Per Share (A/B (i))	4.59	7.50
(D) (ii) Diluted Earning Per Share (A/B (ii))	4.47	7.50

8. Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised as expense for the year are as under:	2007-08	<u>2006-07</u>
Employer's Contribution to Provident Fund	69,21,699	49,04,547



Defined Benefit Plan

The employees's gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

I. Reconciliation of opening and closing balances of Defined Benefit obligation	<u>2007-08</u>
Defined Benefit obligation at beginning of the year	62,79,344
Current Service Cost	8,16,159
Interest Cost	5,02,348
Actuarial (gain) / Loss	2,73,059
Benefits paid	(1,58,631)
Defined Benefit obligation at year end	77,12,279
II. Reconciliation of opening and closing balances of fair value of plan assets	
Fair value of plan assets at beginning of the year	20,08,807
Expected return on plan assets	1,74,766
Actuarial gain / (loss)	(1,74,766)
Employer contribution	6,00,000
Benefits paid	(1,58,631)
Fair Value of plan assets at year end	24,50,176
Actual return on plan assets	
III. Reconciliation of fair value of assets and obligations	
Fair value of plan assets at beginning of the year	24,50,176
Present value of obligation	77,12,279
Amount recognised in Balance Sheet	52,62,103
IV. Expense recognised during the year (Under the head "Contribution to Gratuity Fund")	
Current Service Cost	8,16,159
Interest Cost	5,02,348
Expected return on plan assets	(1,74,766)
Net Actuarial loss recognized during the period	4,47,825
Net Cost	15,91,566

The company has adopted the accounting standard- 15 (Revised) i.e. employee benefits from the current year for computation of gratuity. Hence, the previous year figure has not been furnished.

9. Disclosure pursuant to Clause 32 of the Listing Agreement :

Loanee	Amount of Loans/Advances in nature of Loan outstanding		Amount where there is no repayment schedule		Amount where there is no interest	
	As on 31.03.2008	Maximum amount outstanding during the year	As on 31.03.2008	Maximum amount outstanding during the year	As on 31.03.2008	Maximum amount outstanding during the year
Uniproducts India	31,55,000	38,05,000	31,55,000	38,05,000	31,55,000	38,05,000
Employee Welfare Trust	(38,05,000)	(38,05,000)	(38,05,000)	(38,05,000)	(38,05,000)	(38,05,000)

10. Related party disclosures (As identified and certified by the management)

Related Party Disclosures as required under Accounting Standard on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given hereunder:

- (I) **Holding Company**
Uniproducts Mauritius Ltd.
- (II) **Joint Venture**
Juken Uniproducts Pvt. Ltd.
- (III) **Associates**
Unicel Impex Pvt. Ltd.
Uniproducts India Employee Welfare Trust
(A Trust created for ESOP)
- (IV) **Key Management Personnel**
Dr. Ashwan Kapur
- (V) **Related Party Transactions**

Nature of Transaction	Uniproducts Mauritius Ltd.	Juken Uniproducts Pvt. Ltd.	Unicel Impex Pvt. Ltd.	Uniproducts India Employee Welfare Trust
Loans Taken				
Balance as on 01.04.2007	—	—	—	—
Availed/Adjustment during the year	(12,48,600)	—	—	—
Repaid/Adjustment during the year	(5,31,93,400)	—	—	—
Balance as on 31.03.2008	—	—	—	—
Interest Expenses	(22,31,878)	—	—	—
Investments				
Balance as at 01.04.2007	—	1,13,40,000	—	—
Share Application money paid during the year	—	(31,50,000)	—	—
Balance as at 31.03.2008	—	1,13,40,000	—	—
	—	(1,13,40,000)	—	—
Rent Income	—	21,60,000	—	—
	—	(21,60,000)	—	—
Electricity Expenses	—	29,12,565	—	—
	—	(4,51,161)	—	—
Loan	—	3,42,000	—	—
	—	(—)	—	—
Interest Expenses	—	17,967	—	—
	—	(—)	—	—
Receivable as at 31.03.2008	—	45,05,783	—	—
	—	(10,09,593)	—	—
Rent & Service Charges paid	—	—	8,40,000	—
	—	—	(9,19,200)	—
Loans Given				
Balance as at 01.04.2007	—	—	—	38,05,000
Given/Addition during the year	—	—	—	—
	—	—	—	(—)
Returned/Adjusted during the year	—	—	—	6,50,000
	—	—	—	(—)
Balance as at 31.03.2008	—	—	—	31,55,000
	—	—	—	(38,05,000)
Key Management Personnel				
Remuneration paid to Managing Director (Refer note no. 15)				



UNIPRODUCTS (INDIA) LTD.

11. Segment revenue, results, assets and liabilities have been accounted for on the basis of their relationship to the operating activities of the segment and amounts allocated on a reasonable basis.

Primary Segment Reporting (Business Segment)

Particulars	YEAR ENDED MARCH 31, 2008			YEAR ENDED MARCH 31, 2007		
	Nonwoven Products Rs.	NVH Products Rs.	Total Rs.	Nonwoven Products Rs.	NVH Products Rs.	Total Rs.
REVENUE						
External Revenue	89,58,69,329	42,57,02,564	1,32,15,71,894	79,12,71,487	39,21,93,699	1,18,34,65,186
Intersegment Revenue	—	—	—	—	—	—
	<u>89,58,69,329</u>	<u>42,57,02,564</u>	<u>1,32,15,71,894</u>	<u>79,12,71,487</u>	<u>39,21,93,699</u>	<u>1,18,34,65,186</u>
RESULT						
Segment Result	4,34,21,253	2,95,01,188	7,29,22,441	3,77,68,206	2,86,31,202	6,63,99,408
Less :						
Interest			3,48,42,786			2,63,28,223
Unallocable Other Expenditure						
Add :						
Unallocable Other Income			1,50,21,977			1,20,67,552
Profit Before Tax			<u>5,31,01,632</u>			<u>5,21,38,737</u>
OTHER INFORMATION						
Segment Assets	76,41,04,962	24,40,13,252	1,00,81,18,214	64,11,57,580	16,75,46,862	80,87,04,442
Unallocable Assets			41,71,55,213			46,92,80,081
Total Assets			<u>1,42,52,73,426</u>			<u>1,27,79,84,523</u>
Segment Liabilities	32,37,82,026	4,96,96,111	37,34,78,137	28,48,73,884	5,83,43,328	34,32,17,212
Unallocable Liabilities			55,69,09,534			46,11,20,676
Total Liabilities			<u>93,03,87,671</u>			<u>80,43,37,888</u>
Capital Expenditure						
Segment Capital Expenditure	23,93,53,844	4,58,36,279	28,51,90,123	7,78,41,267	98,55,732	8,76,96,999
Unallocable Capital Expenditure			6,39,81,020			5,19,22,290
Total Capital Expenditure			<u>34,91,71,143</u>			<u>13,96,19,289</u>
Depreciation						
Segment Depreciation	4,25,25,856	1,03,30,979	5,28,56,835	3,16,71,916	97,83,183	4,14,55,099
Unallocable Depreciation			85,63,002			60,22,418
Total Depreciation			<u>6,14,19,837</u>			<u>4,74,77,517</u>
Non Cash Expenses other than Depreciation						
Segment Non Cash Expenditure			—			—
Unallocable Non Cash Expenditure			3,40,259			38,12,768
Total Non Cash Expenses other than Depreciation			<u>3,40,259</u>			<u>38,12,768</u>

Secondary Segment Reporting (Geographical Segment)

The Geographical Segment is not reportable as Company is marketing its products in India only.

12. Disclosure under Accounting Standard-19 (Leases)

	<u>Vehicles</u>
Total Addition to fixed assets	2,09,60,102
Assets under finance lease:	
Opening original cost of assets	78,01,424
Additions under finance lease	1,20,65,106
Deletion during the period	-
Closing original cost	1,98,66,530
Cumulative depreciation	20,06,937
Net carrying value as on 31.03.2008	1,78,59,593

The details of amounts of minimum lease payments outstanding as on 31.03.2008 and present value thereof are as under :

	Minimum lease payment outstanding	Present value of minimum lease payments outstanding	Future interest on outstanding lease payments
Total amount due	1,36,16,711	1,18,28,792	17,87,919
Due within one year	49,77,394	40,60,485	9,16,909
Due later than one year and not later than five years	86,39,317	77,68,307	8,71,010

13. The Company is in the process of identifying the Micro, Small and Medium Enterprises, as defined under "The Micro, small and Medium Enterprises Development Act, 2006".

	YEAR ENDED MARCH 31, 2008 Rs.	YEAR ENDED MARCH 31, 2007 Rs.
14. Estimated amount of contracts remaining to be executed on capital account and not provided for	2,47,25,755	30,51,138
15. Managing Director's remuneration		
Salary	24,00,000	19,80,000
House Rent Allowance	14,40,000	11,88,000
Contribution to Provident Fund	2,88,000	2,37,600
Other Perquisites	4,31,376	3,74,534
Commission	5,95,836	5,70,799
	51,55,212	43,50,933
16. Legal & Professional include auditors remuneration		
Audit Fee	1,50,000	1,50,000
Tax Audit Fee	32,000	32,000
Service Tax	27,192	26,928
Certification fee	38,000	38,000
Out of Pocket Expenses	25,000	20,500
	2,72,192	2,67,428



UNIPRODUCTS (INDIA) LTD.

17. Prior period Expenditure

Manufacturing	94,872	6,38,117
Sales & Administration	-	9,500
Depreciation	1,93,581	-
	2,88,453	6,47,617

18. Miscellaneous Income Includes :

Scrap/Waste Sale	87,55,261	45,58,642
Discount received	-	44,517
Provisions no longer required	24,72,492	44,13,593
Commission received	4,98,305	3,11,980
Others	6,17,087	1,41,430

19. Information pursuant to paragraphs 3 and 4 of Part-II of Schedule VI of the Companies Act, 1956.

A. Capacity

	Installed (in Kg)#		Production (in Kg)#	
	Year ended	Year ended	Year ended	Year ended
	March 31, 2008	March 31, 2007	March 31, 2008	March 31, 2007
Floor Coverings	40,00,000	26,00,000	38,24,739	36,11,186
Nonwoven Light Weights	6,50,000	6,50,000	2,14,072	2,17,703
N.V.H. Products	42,00,000	28,00,000	41,35,975	35,10,818

On standard Product Mix. as certified by the Management and relied upon by the Auditors.

B. Particulars of Opening and Closing Stock of Finished Goods

	Year ended March 31, 2008				Year ended March 31, 2007			
	Opening Stock		Closing Stock		Opening Stock		Closing Stock	
	Qty. (Kg)	Value (Rs.)	Qty. (Kg)	Value (Rs.)	Qty. (Kg)	Value (Rs.)	Qty. (Kg)	Value (Rs.)
Floor Coverings	85,262	1,02,81,570	76,480	1,17,68,044	84,839	89,07,644	85,262	1,02,81,570
Nonwoven Light Weights	21,125	30,91,101	23,238	36,73,055	26,736	34,43,467	21,125	30,91,101
N.V.H. Products	7,717	10,61,987	3,510	6,28,626	9,244	13,13,380	7,717	10,61,987

C. Particulars of Sales

	Year ended March 31, 2008		Year ended March 31, 2007	
	Qty. (Kg)	Value (Rs.)	Qty. (Kg)	Value (Rs.)
Floor Coverings	38,33,521	79,76,75,785	36,10,763	68,99,81,900
Nonwoven Light Weights	2,11,959	2,77,53,715	2,23,314	2,74,26,381
N.V.H. Products	41,40,181	42,57,02,564	35,12,346	39,21,93,699

D. Particulars of Trading Operations

	Year ended March 31, 2008					
	Imported Carpets		Imported Interlinings		Wooden Floorings	
	Qty. (Sqm)	Value (Rs.)	Qty. (Sqm)	Value (Rs.)	Qty. (Nos.)	Value (Rs.)
Opening Stock	43,652 (52,063)	1,37,41,395 (1,18,45,973)	4,500 (4,500)	13,176 (13,176)	9,625 (6,544)	92,46,445 (64,02,724)
Purchases	1,74,347 (1,59,387)	4,46,66,237 (4,04,27,454)	–	–	18,212 (22,886)	1,16,44,123 (1,75,59,623)
Sales/Adjustment	1,54,445 (1,67,798)	5,17,17,235 (5,27,56,712)	4,500	20,070	19,598 (19,805)	1,87,02,524 (2,11,06,495)
Closing Stock	63,554 (43,652)	1,80,38,078 (1,37,41,395)	– (4,500)	– (13,176)	8,239 (9,625)	70,56,912 (92,46,445)

* Figures in brackets pertain to previous year.

E. Details of Raw Material Consumed

	Year ended March 31, 2008		Year ended March 31, 2007	
	Qty. (Kg)	Value (Rs.)	Qty. (Kg)	Value (Rs.)
Polypropylene	1,14,248	86,59,625	90,300	65,67,583
Viscose fibre	1,08,540	1,05,49,440	99,405	81,29,957
EVA, Binder, Foaming & Adhesive Chemicals	17,92,246	14,74,57,923	16,28,958	12,44,83,347
Namda & Cotton Waste	28,73,811	6,05,04,765	23,51,489	5,77,29,993
Polyster	32,94,567	15,51,37,897	24,44,023	12,04,54,607
Aluminium	1,16,840	1,86,65,888	1,20,015	2,07,89,169
Felt	1,80,829	3,77,68,664	52,373	5,16,12,574
LDPE & Resin Powder	16,87,421	11,03,59,593	14,29,304	8,29,77,879
Others		11,42,39,165		9,94,56,297
		66,33,42,958		57,22,01,406

F. CIF Value of Imports

	Year ended March 31, 2008 Value (Rs.)	Year ended March 31, 2007 Value (Rs.)
Capital Goods	4,96,66,044	9,18,37,849
Raw Material	4,49,13,330	3,53,62,580
Stores & Spares	1,21,04,150	1,06,23,465
Trading Goods	3,27,91,165	3,71,62,133

G. Earnings in Foreign Currency

	Year ended March 31, 2008 Value (Rs.)	Year ended March 31, 2007 Value (Rs.)
Commission	7,88,069	2,62,252
Special Discount	2,68,499	–



UNIPRODUCTS (INDIA) LTD.

H. Expenditure in Foreign Currency (on payment basis)

	Year ended March 31, 2008 Value (Rs.)	Year ended March 31, 2007 Value (Rs.)
Travelling	8,43,426	9,47,008
Royalty	–	5,92,977
Interest	–	22,31,878
Membership & Subscription	13,064	7,996

I. Net Dividend remitted in foreign currency

	Year ended March 31, 2008 Value (Rs.)	Year ended March 31, 2007 Value (Rs.)
Period to which it relates	2006-07	2005-06
Number of non-resident shareholders	1	1
Number of equity shares held	64,13,925	27,60,216
Amount remitted (in Rs.)	76,96,710	55,20,432
Amount remitted (in US\$)	1,94,140	1,19,477

J. Value of imported & indigenous Raw Materials & Stores & Spares consumed

Description	Year ended March 31, 2008		Year ended March 31, 2007	
	Value (Rs.)	%	Value (Rs.)	%
Raw Material				
Imported	5,21,19,475	7.86	4,31,32,534	7.54
Indigenous	61,12,23,483	92.14	52,90,68,871	92.46
	<u>66,33,42,958</u>	<u>100.00</u>	<u>57,22,01,405</u>	<u>100.00</u>
Stores & Spares				
Imported	1,31,30,911	29.72	80,43,651	19.55
Indigenous	3,10,50,294	70.28	3,31,02,714	80.45
	<u>4,41,81,205</u>	<u>100.00</u>	<u>4,11,46,365</u>	<u>100.00</u>

20. Consumption of Raw Material

	Year ended March 31, 2008 Value (Rs.)	Year ended March 31, 2007 Value (Rs.)
Opening Stock	5,12,31,257	4,06,28,103
Add : Purchases	67,90,23,740	58,28,04,559
Less : Consumption	66,33,42,958	57,22,01,405
Closing Stock	<u>6,69,12,039</u>	<u>5,12,31,257</u>

21. Disclosures in respect of Joint Ventures :

(a) List of Joint Ventures

Name of Joint Venture	Description of interest/ (Description of Job)	Proportion of ownership interest	County of Incorporation	Residence
Juken Uniproducts Pvt. Ltd.	Jointly Controlled Entity (Plastic Injection Moulding Parts)	45%	India	India

(b) Financial Interest in Jointly Controlled Entities

Name of Joint Venture	Percentage of shareholding	Company's share of			
		Assets (Rs.)	Liabilities (Rs.)	Income (Rs.)	Expenses (Rs.)
		As at 31.03.2008		For the year 2007-2008	
Juken Uniproducts Pvt. Ltd.	45%	2,61,11,265 (2,54,19,445)	1,98,49,559 (1,67,74,041)	83,95,730 (23,14,667)	1,07,80,842 (49,02,939)

* Figures in bracket pertain to previous year

Contingent Liabilities incurred in relation to interest in joint venture are as follows:

The Company had given guarantee on behalf of Juken Uniproducts Pvt. Ltd. (a joint venture Company) in favour of:

- (i) Dy. Commissioner of Customs of Rs. 16 lacs (Refer note no. 3 (ii))
- (ii) State Bank of Patiala against credit facilities of Rs. 700 lacs (Refer note no. 3 (ii))

22. Pursuant to rights offer for issue of 45,25,254 equity shares of face value of Rs. 10/- each at a premium of Rs. 30/- per equity share, given to the existing shareholders in the year 2006-07, the Company has allotted 42,17,926 equity shares of face value of Rs. 10/- each at a premium of Rs. 30/- per equity share on 20.04.2007 aggregating to Rs. 16,87,17,040.

23. The utilisation of the Rights Issue proceeds as at 31st March 2008 was as under:

(Rs. in Lacs)

Purpose	Use of funds as projected	Actual funds used
Installation of Nonwoven Line and Needling loom	740.48	705.25
Installation of D.G.Set	407.95	408.11
Construction of Building	65.39	65.39
Payment of ECB's availed from Foreign promoters and converted into equity	439.24	439.24
Issue Expenses	47.00	69.18
General Corporate purposes	110.04	-
TOTAL	1,810.10	1,687.17

24. Previous year figures have been regrouped wherever necessary.
25. Balance sheet abstract and Companies General Business Profile attached.
26. Schedule 1 to 14 form an integral part of the balance Sheet and the Profit & Loss Account and have been duly authenticated.

Dr. ASHWAN KAPUR
Managing Director

C. K. HAZARI
Director

As per our report of even date
For **S. N. DHAWAN & COMPANY**
Chartered Accountants

PREETIGANDHI
Company Secretary

ADITYA CAPOOR
Vice President (Finance)

SURESH SETH
Partner
Membership No. 10577

Place : New Delhi
Date : 24th July, 2008



UNIPRODUCTS (INDIA) LTD.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE (IN TERMS OF AMENDMENT TO SCHEDULE VI PART IV)

I. Registration Details

Registration No.

1	4	7	8	5
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 State Code

0	5
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Balance Sheet Date

3	1
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0	3
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2	0	0	8
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II. Capital raised during the year (Amount in Rs. Thousand)

Public Issue	Right Issue												
<table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>				N	I	L	<table border="1" style="display: inline-table;"><tr><td> </td><td>4</td><td>2</td><td>1</td><td>7</td><td>9</td></tr></table>		4	2	1	7	9
			N	I	L								
	4	2	1	7	9								
Bonus Issue	Private Placement												
<table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>				N	I	L	<table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>				N	I	L
			N	I	L								
			N	I	L								

III. Position of mobilisation and deployment of funds (Amount in Rs. Thousand)

	Total Liabilities		Total Assets														
Sources of Funds	<table border="1" style="display: inline-table;"><tr><td>1</td><td>1</td><td>6</td><td>2</td><td>9</td><td>7</td><td>8</td></tr></table>	1	1	6	2	9	7	8	Sources of Funds	<table border="1" style="display: inline-table;"><tr><td>1</td><td>1</td><td>6</td><td>2</td><td>9</td><td>7</td><td>8</td></tr></table>	1	1	6	2	9	7	8
1	1	6	2	9	7	8											
1	1	6	2	9	7	8											
	Paid-up Capital		Reserve & Surplus														
	<table border="1" style="display: inline-table;"><tr><td> </td><td>8</td><td>7</td><td>4</td><td>3</td><td>2</td></tr></table>		8	7	4	3	2		<table border="1" style="display: inline-table;"><tr><td>4</td><td>0</td><td>7</td><td>4</td><td>5</td><td>4</td></tr></table>	4	0	7	4	5	4		
	8	7	4	3	2												
4	0	7	4	5	4												
	Secured Loans		Unsecured Loans														
	<table border="1" style="display: inline-table;"><tr><td>5</td><td>5</td><td>6</td><td>1</td><td>6</td><td>9</td></tr></table>	5	5	6	1	6	9		<table border="1" style="display: inline-table;"><tr><td> </td><td>5</td><td>7</td><td>0</td><td>0</td><td>0</td></tr></table>		5	7	0	0	0		
5	5	6	1	6	9												
	5	7	0	0	0												
Application of Funds	Total Fixed Assets	Application of Funds	Investment														
	<table border="1" style="display: inline-table;"><tr><td>9</td><td>1</td><td>5</td><td>1</td><td>4</td><td>6</td></tr></table>	9	1	5	1	4	6		<table border="1" style="display: inline-table;"><tr><td> </td><td>1</td><td>1</td><td>3</td><td>4</td><td>0</td></tr></table>		1	1	3	4	0		
9	1	5	1	4	6												
	1	1	3	4	0												
	Net Current Assets		Misc. Expenditure														
	<table border="1" style="display: inline-table;"><tr><td>2</td><td>3</td><td>6</td><td>4</td><td>9</td><td>2</td></tr></table>	2	3	6	4	9	2		<table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>				N	I	L		
2	3	6	4	9	2												
			N	I	L												
	Accumalated Losses																
	<table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>				N	I	L										
			N	I	L												

IV. Performance of the Company (Amount in Rs. Thousand)

Turnover	Total Expenditure														
<table border="1" style="display: inline-table;"><tr><td>1</td><td>3</td><td>2</td><td>1</td><td>5</td><td>7</td><td>2</td></tr></table>	1	3	2	1	5	7	2	<table border="1" style="display: inline-table;"><tr><td>1</td><td>3</td><td>0</td><td>2</td><td>0</td><td>1</td><td>3</td></tr></table>	1	3	0	2	0	1	3
1	3	2	1	5	7	2									
1	3	0	2	0	1	3									
Profit Before Tax	Profit After Tax														
<table border="1" style="display: inline-table;"><tr><td> </td><td>5</td><td>3</td><td>1</td><td>0</td><td>2</td></tr></table>		5	3	1	0	2	<table border="1" style="display: inline-table;"><tr><td> </td><td>3</td><td>9</td><td>1</td><td>1</td><td>2</td></tr></table>		3	9	1	1	2		
	5	3	1	0	2										
	3	9	1	1	2										
Earning per Share in Rs.	Divident Rate %														
<table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td>4</td><td>.</td><td>5</td><td>9</td></tr></table>			4	.	5	9	<table border="1" style="display: inline-table;"><tr><td> </td><td>1</td><td>2</td><td>.</td><td>0</td><td>0</td></tr></table>		1	2	.	0	0		
		4	.	5	9										
	1	2	.	0	0										

V. Generic names of Four Principal Products/Services of the Company (As per monetary terms)

Product Description :	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td>W</td><td>A</td><td>L</td><td>L</td><td>T</td><td>O</td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td>W</td><td>A</td><td>L</td><td>L</td><td> </td><td>F</td><td>L</td><td>O</td><td>O</td><td>R</td></tr> <tr><td>C</td><td>O</td><td>V</td><td>E</td><td>R</td><td>I</td><td>N</td><td>G</td><td>S</td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td>I</td><td>N</td><td>T</td><td>E</td><td>R</td><td>L</td><td>I</td><td>N</td><td>I</td><td>N</td></tr> <tr><td>G</td><td>S</td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </table>	W	A	L	L	T	O					W	A	L	L		F	L	O	O	R	C	O	V	E	R	I	N	G	S												I	N	T	E	R	L	I	N	I	N	G	S														
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C	O	V	E	R	I	N	G	S																																																											
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G	S																																																																		
	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td>A</td><td>U</td><td>T</td><td>O</td><td>M</td><td>O</td><td>T</td><td>I</td><td>V</td><td>E</td><td> </td></tr> <tr><td>M</td><td>O</td><td>U</td><td>L</td><td>D</td><td>E</td><td>D</td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td>C</td><td>A</td><td>R</td><td>P</td><td>E</td><td>T</td><td>S</td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td>N</td><td>V</td><td>H</td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td>I</td><td>N</td><td>S</td><td>U</td><td>L</td><td>A</td><td>T</td><td>I</td><td>O</td><td>N</td><td>S</td></tr> </table>	A	U	T	O	M	O	T	I	V	E		M	O	U	L	D	E	D					C	A	R	P	E	T	S																N	V	H									I	N	S	U	L	A	T	I	O	N	S
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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	Current Year (Rs.)	Previous Year (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	5,31,01,632	5,21,38,737
Adjustment for :		
Depreciation	5,88,21,663	4,74,77,517
Interest	3,48,42,786	2,63,28,223
Miscellaneous expenditure written off	-	12,90,000
Operating Profit before Working Capital changes	<u>14,67,66,080</u>	<u>12,72,34,477</u>
Adjustment for :		
Trade and other receivables	(4,11,44,365)	(4,07,85,774)
Inventories	(4,79,31,971)	(3,28,89,812)
Trade payable and provision	<u>3,21,70,894</u>	<u>5,20,93,439</u>
Cash Generated from operations	<u>8,98,60,638</u>	<u>10,56,52,330</u>
Direct Taxes paid	<u>(83,50,637)</u>	<u>(68,32,102)</u>
TOTAL (A)	<u>8,15,10,001</u>	<u>9,88,20,228</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(34,91,71,143)	(13,96,19,289)
Sale of fixed assets	20,97,824	8,87,343
Investment	-	(31,50,000)
Capital Work-in-Progress	<u>10,75,64,826</u>	<u>(6,74,68,120)</u>
TOTAL (B)	<u>(23,95,08,493)</u>	<u>(20,93,50,066)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	18,81,43,906	11,42,92,894
Foreign Currency Fluctuation	-	12,48,600
Repayment of long term loans	(13,69,47,827)	(12,04,00,271)
Proceeds/(Repayment) of short term loans	2,57,31,336	11,02,03,711
Proceeds from Share Capital	-	16,87,61,723
Dividend and Dividend Tax paid	(1,23,12,864)	(95,92,159)
Interest Paid	<u>(3,48,42,786)</u>	<u>(2,63,28,223)</u>
TOTAL (C)	<u>2,97,71,766</u>	<u>23,81,86,275</u>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	<u>(12,82,26,728)</u>	<u>12,76,56,437</u>
Cash & Cash Equivalents as on 31.03.2008	<u>1,02,68,081</u>	<u>13,84,94,809</u>
Cash & Cash Equivalents as on 01.04.2007	<u>13,84,94,809</u>	<u>1,08,38,372</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>(12,82,26,728)</u>	<u>12,76,56,437</u>

For and on behalf of Board of Directors

Dr. ASHWAN KAPUR
Managing Director

C. K. HAZARI
Director

As per our report of even date
For **S. N. DHAWAN & COMPANY**
Chartered Accountants

PREETIGANDHI
Company Secretary

ADITYA CAPOOR
Vice President (Finance)

SURESH SETH
Partner
Membership No. 10577

Place : New Delhi
Date : 24th July, 2008



UNIPRODUCTS (INDIA) LTD.

UNIPRODUCTS (INDIA) LIMITED

Registered Office :

Jarthal Village Road, 84 Km. Stone, Delhi-Jaipur Road, P.O. Sangwari, Distt. Rewari, Haryana-123401

PROXY FORM

Folio No. :

Client ID*

No. of Shares :

DP ID.....

I/Weof..... in the district of being a Member/Members of Uniproducts (India) Limited hereby appointof..... in the district of or failing him/her of in the district of as my/our Proxy to attend and vote for me/us and on my/our behalf at the TWENTY FIFTH ANNUAL GENERAL MEETING of the Company to be held on Friday, September 5, 2008 at 11.30 A.M. and at any adjournment thereof.

Dated this day of, 2008.

For Office Use Only	
Proxy No. :	No. of Shares :

Affix Revenue Stamp Re. 1

* Applicable for the investors holding shares in electronic form.

(Signature of the Members)

- Note:**
1. For the form to be effective, it should be duly stamped, completed and signed across the stamp as per specimen signature registered with the Company.
 2. The Proxy Form must be deposited at the Registered Office not less than 48 hours before the time fixed for holding the Meeting.
 3. A Proxy cannot speak or vote on show of hands at the Meeting.

UNIPRODUCTS (INDIA) LIMITED

Registered Office :

Jarthal Village Road, 84 Km. Stone, Delhi-Jaipur Road, P.O. Sangwari, Distt. Rewari, Haryana-123401

ATTENDANCE SLIP

Twenty Fifth Annual General Meeting
Friday, September 5, 2008 at 11.30 A.M.

Regd. Folio No. :	Client ID* :
Name of Member/Proxy :	No. of Shares :

I certify that I am a registered member/proxy for the registered member of the Company. I hereby record my presence at the TWENTY FIFTH ANNUAL GENERAL MEETING of the Company held on September 5, 2008 at 11.30 A.M. at Jarthal Village Road, 84 Km. Stone, Delhi-Jaipur Road, P.O. Sangwari, Distt. Rewari, Haryana-123401.

Signature of Attending Member/Proxy

* Applicable for investor holding shares in electronics form.

Please sign on this Attendance Slip and hand it over at the entrance of the hall.

BOOK POST

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UNIPRODUCTS (INDIA) LTD.

Khasra No. 360-361,
Village Jonapur, Mehrauli,
New Delhi - 110047