

REPORT  
AND  
ACCOUNTS  
1998-1999



UNIORTH  
INTERNATIONAL  
LIMITED



UNI WORTH  
INTERNATIONAL  
LIMITED

Board of Directors

GHOSH SAMIR - CHAIRMAN  
LOHIA AJAI PRAKASH  
MODY RAGHU NANDAN  
RAI BODHISHWAR  
N. SITARAMAN

Company Secretary

GOENKA SUDHIR

Auditors

SINGHI & CO.,  
CHARTERED ACCOUNTANTS

Report  junction.com

Bankers

CENTURION BANK LTD  
DEUTSCHE BANK  
HONGKONG BANK  
INDUSIND BANK LTD  
PUNJAB & SIND BANK  
PUNJAB NATIONAL BANK

Registered Office

UNI WORTH CENTRE  
70A, Shakespeare Sarani  
Calcutta - 700 017  
Phone : (033) 240-8885  
Fax : (033) 240-8302

Solicitors

L. P. AGARWALLA & CO.

Registrars

ABC Computers (P) Limited  
National Council of Education Building  
Jadavpur University Campus  
Calcutta - 700 032.  
Phone : (033) 473-5363



UNI WORTH  
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#### NOTICE :

Notice is hereby given that the Seventh Annual General Meeting of the Members of UNI WORTH INTERNATIONAL LIMITED will be held at Science City, Mini Auditorium, JBS Haldene Avenue, Calcutta - 700 046 on Wednesday, 15<sup>th</sup> March, 2000 at 12.30 P.M. to transact the following businesses :

#### ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report and the Audited Balance Sheet as at 30<sup>th</sup> September, 1999 and the Profit & Loss Account for the year ended on that date and the Auditors' Report thereon.
2. To appoint Directors in place of Mr. A P Lohia, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

#### SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass with or without modification, the following resolutions:

#### As Ordinary Resolutions :

- a. RESOLVED THAT Mr. N. Sitaraman who was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article 80(a) of the Company's Articles of Association and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the Office of a Director be and is hereby appointed a Director of the Company liable to retire by rotation.
- b. RESOLVED THAT subject to provisions of Sections 198,269,309,310 Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company approves the revised terms of remuneration of Mr A Sadasivam, Manager of the Company for the remaining period of his tenure of office effective April, 1<sup>st</sup>, 1999 as set out below :  
Salary : In the range of Rs 16,000 to Rs 30,000 per month.  
The Board of Directors of the Company be and is hereby authorised, in its absolute discretion and from time to time, to fix, within the range stated above, the salary payable to Mr A Sadasivam.

Other Terms and Conditions : Same as approved before

RESOLVED FURTHER THAT in the event of absence or inadequacy of net profit in any financial year, the remuneration payable to Manager shall be governed by Section II of Part II of Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof.

Registered Office  
UNI WORTH CENTRE  
70A, Shakespeare Sarani  
Calcutta - 700 017  
Date : 23<sup>rd</sup> December, 1999

By Order of the Board

Sudhir Goenka  
Company Secretary

#### NOTES :

- a) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received at the Registered Office not less than 48 hours before the meeting.
- b) The Register of Members and Transfer Books of the Company will be closed from 2<sup>nd</sup> March, 2000 to 15<sup>th</sup> March, 2000, both days inclusive.
- c) Intimation of any change of address should be given to the Company immediately.
- d) NRI Shareholders are requested to furnish their local address in India for communication purpose together with NRE/FCNR Bank Account particulars, Bank name and Branch address with which such account is maintained.
- e) Explanatory Statement u/s. 173 (2) of the Companies Act, 1956 is annexed herewith in respect of items of special business.



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- f) Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
- g) The Equity Shares of the Company are listed with the Stock Exchanges at Ahmedabad, Calcutta and Mumbai.
- h) The Company is providing nomination facility in accordance with the provisions of Sections 109A and 109B of the Companies Act, 1956. The prescribed Nomination Form is attached.

MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT TO THE MEETING

ANNEXURE TO THE NOTICE :

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

The related Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item 4(a) & 4(b) are as follows :

Item No. 4(a) :

Mr. N Sitaraman who was appointed as Additional director of the Company with effect from 23rd December, 1999 in terms of Section 260 of the Companies Act, 1956 and Article 80(a) of the Articles of Association of the Company, vacates his office at this Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received by the Company from a member proposing the appointment of Mr. N Sitaraman as a Non-Executive Director of the Company at this Annual General Meeting, liable to retire by rotation.

The proposed resolution is recommended for adoption. No one other than Mr. N Sitaraman is concerned and/or interested in the aforesaid resolution.

Item No. 4 (b)

The appointment of Mr. A Sadasivam was approved by the shareholders at the Annual General Meeting of the Company held on 17th March 1999 as Manager w.e.f. July 1st, 1998 under Section 269 of the Companies Act 1956 at a salary of Rs 16,600 per month. Since Mr. A Sadasivam has been actively associated with the Company and contributing to the Company, the Board thought it fit to prescribe a range and determine his remuneration from time to time as and when the Board deems fit.

This may be treated as an abstract of the terms of appointment of Mr A Sadasivam pursuant to Section 302 of the Companies Act, 1956.

The proposed resolution is recommended for adoption. Other than Mr. A. Sadasivam, none of the Directors is directly or indirectly concerned and/or interested in the aforesaid resolution.

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By Order of the Board

Sudhir Goenka  
Company Secretary



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## DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the Seventh Annual Report together with Audited Statement of Accounts for the year ended 30<sup>th</sup> September, 1999.

### FINANCIAL HIGHLIGHTS :

	Year ended 30th Sept, 1999 (Rs. in lacs)	15th months ended 30th Sept, 1998 (Rs. in lacs)
Turnover & other Income	<u>6246.83</u>	<u>17896.97</u>
Profit before Interest and Depreciation	1109.46	2001.85
Less : Interest	<u>714.58</u>	<u>1423.30</u>
Profit before Depreciation	394.88	578.55
Less : Depreciation	<u>315.08</u>	<u>424.67</u>
Profit before Tax	79.80	153.88
Less : Provision for Taxation	<u>7.82</u>	<u>13.58</u>
Profit after Tax for the period.	71.98	140.30
Add : Balance Brought Forward from the Previous year	<u>349.53</u>	<u>367.63</u>
Profit available for appropriation	<u>421.51</u>	<u>507.93</u>
Appropriations :		
a) Dividend on Preference Shares	—	144.00
b) Corporate Dividend Tax	—	14.40
Surplus Balance carried to Balance Sheet	<u>421.51</u>	<u>349.53</u>
	<u>421.51</u>	<u>507.93</u>

### DIVIDEND

In view of the inadequate profits and the need to conserve resources, your Directors do not recommend declaration of any Dividend both for Preference Shares and for Equity Shares.

### OPERATIONS

Continuing depressed market conditions during the year under review adversely affected the turnover of the Company. Severe competition, adverse market conditions and unsatisfactory margins prompted the Company to close down the overseas trading outfit during the year which had contributed to turnover Rs 96 crores during the previous period. This was the main reason for reduced turnover during the current year.

Strict cost control and judicious use of credit helped in achieving a profit after tax for the year at Rs 71.98 lacs.

The Uniworth Collection range of fabrics continued to get its share of business in its segment in recognition of its premium quality, superior designs and good marketing services. Sales of "EGO" readymade apparel continued to do well because of the customer pull.



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## FUTURE PLANS AND PROSPECTS

Your Company continues to retain its Export house status.

Aggressive plans are afoot to get a better market share in the domestic markets backed up by an enlarged product portfolio.

Subject to market conditions improving, your Directors are optimistic about the future of your Company.

## DEPOSITS

Your Company has not accepted any deposit within the meaning of Section 58A, of the Companies Act, 1956 and the rules made thereunder.

## AUDITORS' REPORT

The notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comment.

## DIRECTORS'

Mr. A P Lohia retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment. By virtue of the provision of Article 80(a) of the Articles of Association and Section 260 of the Companies Act 1956, Mr. N. Sitaraman, Additional Non-Executive Director of the Company, will vacate office at the ensuing Annual General Meeting of your Company and has filed his consent to act as Director of the Company, if appointed. Notice has been received under Section 257 of the Companies Act, 1956 from a member of the Company for his appointment as Director of your company. The Board of Directors at its meeting held on 23rd Dec 1999 recommended his appointment as Non-Executive Director of your company, liable to retire by rotation. Appropriate resolutions seeking your approval are appearing in the Notice convening the Annual General of the Company.

## AUDITORS

The joint auditor M/s R.K. Chandak & Co. resigned during the year. M/s Singhi & Co., the other joint auditor has signed the accounts for the year under consideration. M/s. Singhi & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

## PARTICULARS OF EMPLOYEES

The Company has no employee whose remuneration is more than the limit specified in Section 217(2A) of the Companies Act, 1956

## ADDITIONAL INFORMATION

As regards disclosure under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, the statement showing particulars of foreign exchange earning and outgo is annexed hereto and forms part of this report.

## PERSONNEL

Relations with the employees continued to remain cordial throughout the year.

Your Directors wish to place on record their appreciation for dedicated and sincere services rendered by the executives, staff and workmen at all levels.



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## Y2K COMPLIANCE

The Company has made adequate arrangements for tackling the Y2K issues. The Company does not anticipate any system breakdown due to the Y2K issues.

## ACKNOWLEDGEMENTS

Your Directors acknowledge with gratitude the co-operation and assistance received from Central and State Governments, Financial Institutions, Bankers, Investors and all those associated with the Company during the year under review.

On Behalf of the Board

Calcutta, 23<sup>rd</sup> December, 1999

Samir Ghosh  
Chairman

## ANNEXURE I

Particulars of Employees as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 forming part of the Directors' Report for the year ended 30th September, 1999.

Sl. No.	Name	Designation & Nature of Duties	Qualification	Age in years	Experience in years	Date of Commencement of Employment	Remuneration Rs.	Previous Employment
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**NOT APPLICABLE**

## ANNEXURE II

Statement showing particulars pursuant to the companies (disclosure of particulars in the report of board of directors) rules, 1988

### Foreign Exchange Earnings & Outgo

	(Rs. in lacs)
I. (a) Foreign Exchange Earnings	
Exports on FOB Basis	2725.16
Branch offices (net)	
(b) Foreign Exchange Outgo	—
i. CIF Value of imports	997.27
ii. Others	1.95



## AUDITORS' REPORT

To the Shareholders

We have audited the Balance sheet of UNI WORTH INTERNATIONAL LIMITED as at 30<sup>th</sup> September, 1999 and the Profit & Loss Account of the said Company for the year ended on that date, both annexed hereto.

We report that :

1. In our opinion and to the best of our information and according to the explanations given to us, the annexed accounts subject to Note No. B3 in Schedule 20 regarding non maintenance of quality wise stock record for fabrics and valuation thereof at average cost instead of quality wise stock, the impact whereof cannot be ascertained and read with the Accounting Policies and other Notes in Schedule 20, give the information required by the Companies Act, 1956 (as amended) in the manner so required and give a true and fair view :
  - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 30<sup>th</sup> September, 1999 and
  - b) In the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date.
2. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
3. In our opinion, proper Books of Account as required by the Companies Act, 1956 (as amended) have been kept by the Company so far as it appears from our examination of those books.
4. The Balance Sheet and Profit & Loss Account are in agreement with the Books of Accounts and subject to above comply with Accounting Standards as referred in sub-section (3c) of Section 211 of the Companies Act, 1956 (as amended)

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government and on the basis of such checks as were considered appropriate, we further state that:

- i. Proper records showing full particulars, including quantitative details and situation of fixed assets are under updation. As confirmed, the Management has conducted physical verification of fixed assets and no discrepancy has been noticed on such verification.
- ii. None of the fixed assets have been revalued during the year.
- iii. Physical verification has been conducted by the management at reasonable intervals in respect of the trading goods.
- iv. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business except for stock of fabric where quality wise verification of physical stock has not been conducted.
- v. Except for the traded fabrics, the discrepancies noticed on physical verification of stocks as compared to book records were not material, and the same have been properly dealt with in the books of account.
- vi. The valuation of stocks of trading goods, subject to the quality wise stock records not maintained in case of fabrics, is fair and proper and in accordance with the normally accepted accounting policies. In order to comply with the Accounting Standard-2, freight has been included as part of the cost and stock has been valued at Average cost/cost or market price whichever is lower. (Refer Note No. B4 in Schedule 20).
- vii. As per records, the Company has taken unsecured loans, from Companies, listed in the register main-





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tained under section 301 of the Companies Act, 1956. As explained the rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interests of the Company. As informed, there is no Company under the same management as defined under erstwhile sub-section (1B) of section 370 of the Companies Act, 1956.

- viii. The Company has granted loans to Companies listed in the Register maintained under section 301 of the Companies Act, 1956. As explained the rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interests of the Company except in case of one company on which interest is not charged in view of its financial position. However, the management considers the principal amount Rs. 45.06 lacs as recoverable.
- ix. The parties to whom loans/deposits have been given are repaying the principal amount as stipulated/on demand and are also generally regular in payment of interest except in certain cases where the management is taking action to recover the same (also refer Note No B 13 in Schedule 20). Loans and advances in the nature of interest free loans given to the employees, are being recovered as stipulated.
- x. On the basis of checks carried out during the course of audit and as per explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of plant and machinery, equipment and other assets, and for the purchase and sale of goods except non maintenance of quality wise records of traded fabrics.
- xi. According to the information and explanations given to us the transactions of sale and purchase of goods, in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party have been made at prices, which as confirmed by the management are reasonable with reference to acceptable business practices and having regard to prevailing market price of such goods. However, in absence of necessary comparative quotations available, we are unable to express our opinion on the same.
- xii. As regarding trading activities, the management has confirmed that there are no damaged goods as on the date of Balance Sheet and hence no adjustment for damaged stock is required.
- xiii. The Company has not accepted any deposits from Public.
- xiv. The Company has appointed a firm of Chartered Accountants to do the internal audit periodically. The internal audit system is commensurate with the size and nature of the business of the Company.
- xv. The Company has generally been regular in depositing Provident Fund dues with the appropriate authorities.
- xvi. According to the information and explanations given to us, there are no undisputed amount payable in respect of income-tax, wealth-tax, sales tax, customs duty and excise duty whichever applicable as on 30<sup>th</sup> September, 1999 outstanding for a period of more than six months from the date they became payable.
- xvii. According to the information and explanations given to us and the records examined by us, no personal expenses have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practices.
- xviii. The Company has maintained proper records of the transactions and contracts of dealing in shares and securities and timely entries have been made therein. The shares held by the Company are in its own name.
- xix. Other clauses of the order are not applicable to the Company.

FOR SINGHI & CO.  
*Chartered Accountants*

RAJIV SINGHI  
*Partner*  
Calcutta, 23<sup>rd</sup> December, 1999



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BALANCE SHEET AS AT 30TH SEPTEMBER, 1999

	Schedule	As at 30th, <u>Sept 1999</u> (Rs.in '000s)	As at 30th, <u>Sept 1998</u> (Rs.in '000s)
<b>SOURCES OF FUNDS :</b>			
Shareholders' Fund :			
Share Capital	1		
Equity		106,000	106,000
Preference		144,000	144,000
Reserves & Surplus	2	82,151	74,953
Loan Funds :			
Secured Loans	3	363,289	438,337
Unsecured Loans	4	10,492	33,750
<b>TOTAL</b>		<b>705,932</b>	<b>797,040</b>
<b>APPLICATION OF FUNDS :</b>			
Fixed Assets :	5		
Gross Block		409,037	430,715
Less : Depreciation		125,787	100,420
Net Block		283,250	330,295
Investments	6	54,015	51,264
Current Assets, Loans & Advances :			
Inventories	7	149,637	163,427
Sundry Debtors	8	305,058	332,165
Cash & Bank Balances	9	34,517	15,328
Loans, Advances & Deposits	10	130,721	123,689
		619,933	634,609
Less : Current Liabilities & Provisions			
Liabilities	11	276,579	248,276
Provisions	12	782	17,198
		277,361	265,474
Net Current Assets		342,572	369,135
Miscellaneous Expenditure (To the extent not written off or-adjusted)	13	26,095	46,346
<b>TOTAL</b>		<b>705,932</b>	<b>797,040</b>
Accounting Policies & Notes on Accounts	20		
As per our Report Annexed.			
FOR SINGHI & CO.			S. GHOSH
Chartered Accountants			Chairman
RAJIV SINGHI			A. P. LOHIA
Partner			Director
			S. GOENKA
			Company Secretary
Calcutta, 23 <sup>rd</sup> December, 1999			