



**UNIWORTH
TEXTILES
LIMITED**

Report  Junction.com

**A N N U A L
R E P O R T
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**UNI WORTH
TEXTILES
LIMITED**

Board of Directors

| | |
|--------------------------|----------------------|
| KUMAR NARENDRA | - CHAIRMAN |
| GHOSH SAMIR | |
| KUMAR ASHOK | |
| AUDDY NARAYAN DAS | - IFCI NOMINEE |
| SRINIVASAN KRISHNAMURTHI | |
| DAVID HILL | - EXECUTIVE DIRECTOR |

Audit Committee

KUMAR NARENDRA - CHAIRMAN
GHOSH SAMIR
SRINIVASAN KRISHNAMURTHI

Manager

DARBARI KAMALAKAR

Company Secretary

NAGARAJAN KRISHNAMURTHY

Registered Office

UNI WORTH CENTRE
70A, Shakespeare Sarani
Kolkata - 700 017
Phone : (033) 240-8885
Fax : (033) 240-8301/02

Auditors

M/s. S. S. KOTHARI & CO.,
Chartered Accountants

Registrars

ABC Computers (P) Limited
National Council of Education Building
Jadavpur University Campus
Kolkata - 700 032
Phone : (033) 473-5363/1292

Bankers

HONGKONG BANK
HDFC BANK
INDUSIND BANK
PUNJAB & SIND BANK
STATE BANK OF INDIA

Works

100% EOU Weaving Unit
Urala Growth Centre
Raipur, M.P.

Solicitors

M/s. KHAITAN & CO.,

100% EOU Finishing Unit
MIDC, Butibori
Nagpur, Maharashtra



**UNI WORTH
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NOTICE :

Notice is hereby given that the ninth Annual General Meeting of the Members of UNI WORTH TEXTILES LIMITED will be held at Science City, Mini Auditorium, JBS Haldene Avenue, Kolkata - 700 046 on Friday, the 31st day of August, 2001 at 11.30 A.M. to transact the following businesses :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report and the Audited Balance Sheet as at March 31, 2001 and the Profit & Loss Account for the year ended on that date and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. Samir Ghosh, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

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

As Ordinary Resolution :

- (a) **RESOLVED THAT** Mr. David Hill, who was appointed an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Articles 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 as a Director of the Company liable to retire by rotation.
- (b) **RESOLVED THAT** pursuant to all applicable provisions of the Companies Act, 1956 and subject to the approval of the Reserve Bank of India, Ministry of Home Affairs and all other Statutory approvals as may be required, Mr David Hill, be and is hereby appointed as a Wholetime Director of the Company with effect from 1st April 2001 for a period of 5 years on terms and conditions as set out in the Explanatory Statement.

Registered Office
'UNI WORTH CENTRE'
 70A, Shakespeare Sarani,
 Kolkata - 700 017
 Date : the 14th day of May, 2001

By Order of the Board

K. Nagarajan
 Company Secretary



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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 Thursday, August 23, 2001 to Friday, August 31, 2001.
- c) Intimation of any change of address should be given to the Company immediately.
- d) Explanatory Statement U/s. 173(2) of the Companies Act, 1956 is annexed herewith in respect of items of special business.
- e) Members/Proxies should bring the attendance slip duly filled in for attending the Meeting.
- f) The Equity Shares of the Company were initially listed with the Stock Exchanges at Ahmedabad, Delhi, Kolkata and Mumbai. Shareholders at the last Annual General Meeting held on 20th September, 2000 have passed a resolution approving delisting of the shares at Ahmedabad and Delhi Stock Exchanges. Listing fees have been paid upto 2000-2001.
- g) The unclaimed Dividend that are due for transfer to the Central Government are as follows :

| <u>DIVIDEND</u> | | <u>DUE FOR THE TRANSFER ON</u> |
|------------------------|---------|--------------------------------|
| 4th Dividend (Interim) | 1995-96 | 16.07.2003 |
| 5th Dividend (Final) | 1995-96 | 30.08.2003 |

Members who have not encashed their aforesaid dividend warrants are requested to approach the Company's Registrars and Transfer Agents, quoting their Folio No., Dividend Warrant No., and No. of Shares held for obtaining duplicate Dividend Warrants.

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 relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item Nos. 4(a) and 4(b) are as follows :

Item No. 4(a)

Mr. David Hill who was appointed as an Additional Director of the Company with effect from 1st April 2001 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. David Hill as a 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. David Hill is concerned and/or interested in the aforesaid resolution.



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Item No. 4(b)

The Board of Directors ("The Board") of the Company at its Meeting held on 29th March 2001 appointed Mr David Hill, as an Additional Director. At the said meeting, subject to the approval of the members of the Company in the General Meeting and the approval from Reserve Bank of India and Ministry of Home Affairs, the Board further appointed him as an Executive Director of the Company for a period of five years, with effect from 1.4.2001 subject to the requisite approvals.

Mr. David Hill is a Diploma in Textile with background of Engineering and Overlooking course and has held senior positions internationally. Considering his background and experience, it was considered that the appointment of Mr. David Hill as an Executive Director of the Company would benefit the Company.

In accordance with the terms of appointment, Mr. David Hill is entitled to the following remuneration :

1. Salary : Rs. 20,000/- per month in the range of Rs. 18,000 to Rs.34,000/- per month.
The Annual increments in the aforesaid salary will be decided by the Board of Directors.
2. Housing : Free accommodation as per the rules of the company.
3. Conveyance : He will be reimbursed expenses incurred on Conveyance limited to Rs. 5750/- per month.
4. Medical : He will be reimbursed medical expenses incurred upto a maximum of Rs.1,250/- per month or Rs. 15,000/- per annum.
5. Leave Travel Concession : He will be entitled to avail leave travel concession for self, once in a year.
6. Telephone : The Company shall provide Telephone at residence and it will not be considered as perquisites. Personal long distance calls on telephone for private purposes shall be borne by him.
7. Car : The Company shall provide a Car, which shall exclusively be used for official purposes.

The proposed resolution is recommended for adoption.

None of the Directors of the Company except Mr. David Hill is concerned and/or interested in the resolution, except as a shareholder in general.

Registered Office
'UNI WORTH CENTRE'
70A, Shakespeare Sarani,
Kolkata - 700 017
Date : the 14th day of May, 2001

By Order of the Board

K. Nagarajan
Company Secretary



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DIRECTORS' REPORT TO THE MEMBERS :

Your Directors have pleasure in presenting the Ninth Annual Report together with Audited Statement of Accounts for the year ended March 31, 2001.

FINANCIAL HIGHLIGHTS :

| | 31st March, 2001 (Rs. In Lacs) | 31st March, 2000 (Rs. In Lacs) |
|--|-----------------------------------|-----------------------------------|
| Sales | 6536.41 | 6481.90 |
| Profit/(Loss) before Interest and Depreciation | 639.44 | 468.72 |
| Less : Interest | 615.28 | 452.14 |
| Profit/(Loss) before Depreciation | 24.16 | 16.58 |
| Less : Depreciation | 437.04 | 434.98 |
| Profit/(Loss) for the year | (412.88) | (418.40) |
| Add : Balance b/f from the Previous Year | (424.53) | (6.13) |
| Balance carried to Balance Sheet | <u>(837.41)</u> | <u>(424.53)</u> |

OPERATIONS :

Production during the year at 32.50 lakh mtrs. was about 3.5% higher than last year and average capacity utilization was 48%. However, levels of production during the year were dictated by market requirements, which picked up as the year progressed, resulting in capacity utilization peaking to 64% in the last quarter of the year.

Fabric sales during the year improved to Rs.37.57 crores, representing an increase of 13.9% over last year mainly as a result of higher volumes and better prices achieved in the highly competitive western markets. Sales in the second half of the year were over 35% higher than in the first half, largely due to aggressive marketing undertaken in export markets.

Earnings before interest and tax significantly improved from Rs.4.69 crores last year to Rs.6.39 crores this year. However, higher interest charges caused some erosion in profits and reduction in working capital is prioritized for action next year.

The Company closed the year with cash profits for the second year in succession following capital restructuring mainly due to savings in raw material consumption, slightly offset by higher plant operating costs.

Even though the export markets continue to be depressed, your Directors are optimistic that recent trends of higher production and stronger sales performance will be maintained in the following year and profitability will be restored.

DEPOSITS

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

DIRECTOR'S RESPONSIBILITY STATEMENT :

Directors of the Company have taken adequate steps to comply with the following requirements and as required under section 217(2AA) of the amended Companies Act, 1956, we hereby certify that the company has reasonably :



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- a) Complied with applicable accounting standards with proper explanations for material departures
- b) Selected appropriate accounting policies and applied them consistently with reasonable and prudent judgements and estimates so as to give true and fair view
- c) Taken Proper and sufficient care for the maintenance of accounting records for safeguarding assets and for preventing fraud and other irregularities
- d) Ensured that Accounts are prepared on a going concern basis

AUDITORS' REPORT :

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

DIRECTORS :

Mr. N Sitaraman resigned from the Board with effect from January 24, 2001. Mr. A P Lohia, Mr Bodhishwar Rai and Mr W F Small resigned from the Board with effect from March 29, 2001. Your Directors would like to record their appreciation for the services rendered by the aforesaid Directors.

Mr. Samir Ghosh retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment. The Board of Directors, at its meeting held on March 29 2001, appointed Mr David Hill as Wholetime Director of the Company with effect from 1st April 2001. Appropriate resolution seeking your approval is appearing in the Notice covering the Annual General Meeting of the Company.

AUDITORS :

M/s. S. S. Kothari & 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 :

The statement showing required particulars pursuant to Section 217(1)(e) of the Companies Act, 1956 and the rules framed thereunder is annexed hereto and forms part of this report.

INDUSTRIAL RELATIONS :

Industrial Relations 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.

ACKNOWLEDGEMENT :

Your Directors acknowledge with gratitude the co-operation and assistance received from the Central and State Governments, Financial Institutions, Banks, Shareholders and others during the year under review.

On Behalf of the Board

Narendra Kumar
Chairman

Kolkata : 14th day of May, 2001



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ANNEXURE I TO THE DIRECTORS REPORT

STATEMENT SHOWING PARTICULARS PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

'FORM A'

Form for Disclosure of particulars with respect to Consumption of Energy

ENERGY CONSERVATION

| A) POWER AND FUEL CONSUMPTION | 2000-2001 | 1999-2000 |
|---|-----------|-----------|
| I. Electricity | | |
| a) Purchase Unit (KWH in lacs) | 58.09 | 53.31 |
| b) Total Amount (Rs. In lacs) | 212.90 | 195.03 |
| c) Rate/KWH (In Rs.) | 3.67 | 3.65 |
| B) CONSUMPTION PER UNIT PRODUCTION | | |
| Production (Units in Linear Mts. in lacs) | | |
| Pure Wool Fabrics | 19.09 | 22.75 |
| Polywool | 13.51 | 9.22 |
| Others | 0.01 | 0.01 |
| Electricity per Linear Mts. (Units) | | |
| Pure Wool Fabrics | 1.78 | 1.67 |
| Polywool | 1.78 | 1.67 |
| Others | 1.78 | 1.67 |

'FORM B'

Form for Disclosure of particulars with respect to Technology Absorption

RESEARCH & DEVELOPMENT (R & D)

- Specific areas in which R & D carried out by the Company :
 - ☞ Development of SIRO Spun Fabrics in All Wool and Poly Wool in Piece Dyed Fabric
 - ☞ Development of stretch fabric with Lycra and Polyester Wool Lycra in Piece Dyed and Top Dyed
 - ☞ Development of wrinkle free Fabric in super fine counts in polyester/wool and wool 100% using High Twisted Yarn.
 - ☞ Development of Jacketing Fabric using 48/2 PW 70/30 Blend for Export market.
 - ☞ Development of Water Replent finish by Teflon coating.
 - ☞ Development of Flannel Fabric in Wool 100%.
- Benefit derived as a result of the above R & D :
 - ☞ The development has been successful both in the International as well as the Domestic Market.