



**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

ASHOK KUMAR
SAMIR GHOSH
KRISHNAMURTHI SRINIVASAN
C. P. PADMANABHAN - IFCI NOMINEE
SRI BHAGWAN AGARWAL
ROBERT JAMES MULLIS
SURENDRA KHANDELWAL - EXECUTIVE DIRECTOR
CHANDRA SEKHAR JALAN - MANAGING DIRECTOR

Audit Committee

SAMIR GHOSH
KRISHNAMURTHI SRINIVASAN
C. P. PADMANABHAN
SRI BHAGWAN AGARWAL

Registered Office

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

Company Secretary

PRADEEP KUMAR AGARWAL

Registrars

ABC Computers (P) Limited
National Council of Education Building
Jadavpur University Campus
Kolkata - 700 032
Phone : (033) 414-6363/6292

Auditors

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

Bankers

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

Works

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

Solicitors

M/s. KHAITAN & CO.,

100% EOU Finishing Unit
MIDC, Butibori
Nagpur, Maharashtra



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NOTICE:

Notice is hereby given that the Tenth Annual General Meeting of the Members of UNI WORTH TEXTILES LIMITED will be held at Science City, Mini Auditorium, JBS Haldane Avenue, Kolkata – 700 046 on Thursday, the 23rd day of May, 2002 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report and the Audited Balance Sheet as at March 31, 2002 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. K. Srinivasan, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ashok Kumar, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

As Ordinary Resolution:

- (a) **RESOLVED THAT** Mr. S. Khandelwal, who was appointed 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 due notice in writing under Section 257 of the Companies Act, 1956 alongwith requisite deposit, proposing his candidature for the Office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.
 - (b) **RESOLVED FURTHER THAT** pursuant to all applicable provisions of the Companies Act, 1956 and subject to compliance of all Statutory formalities and approvals as may be required and further subject to such conditions or modifications as may be imposed by the Central Government or by any enactment or amendment in the existing provisions of law, and which are agreed to by the Board of Directors of the Company, the Company hereby approves the appointment of Mr. S. Khandelwal as a Wholetime Executive Director of the Company for a period of 5 years with effect from 30th October, 2001 on such remuneration and terms as set out in the Explanatory Statement.
6. To consider and, if thought fit, to pass with or without modification, the following resolution

As Ordinary Resolution:

RESOLVED THAT Mr. S. B. Agarwal, who was appointed 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 due notice in writing under Section 257 of the Companies Act, 1956 alongwith requisite



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deposit, proposing his candidature for the Office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

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

As Ordinary Resolution:

- (a) **RESOLVED THAT** Mr. C. S. Jalan, who was appointed 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 due notice in writing under Section 257 of the Companies Act, 1956 alongwith requisite deposit, proposing his candidature for the Office of 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 compliance of all Statutory formalities and approvals as may be required and further subject to such conditions or modifications as may be imposed by the Central Government or by any enactment or amendment in the existing provisions of law, and which are agreed to by the Board of Directors of the Company, the Company hereby approves the appointment of Mr. C. S. Jalan as Managing Director of the Company for a period of 5 years with effect from 25th April, 2002 on such remuneration and terms as set out in the Explanatory Statement.

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

As Ordinary Resolution:

RESOLVED THAT Mr. Robert James Mullis, who was appointed 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 due notice in writing under Section 257 of the Companies Act, 1956 alongwith requisite deposit, proposing his candidature for the Office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

Registered Office

'UNI WORTH CENTRE'

70A, Shakespeare Sarani

Kolkata - 700 017

Date: the 25th day of April, 2002

By Order of the Board

P. K. Agarwal

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 17th May 2002 to 23rd May 2002 both days inclusive.
- 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. At the Annual General Meeting held on 20th September, 2000, the members had passed a resolution approving delisting of the shares at Ahmedabad and Delhi Stock Exchanges. Listing fees have been paid to Calcutta Stock Exchange and Stock Exchange, Mumbai upto 2001-2002.
- g) The unclaimed Dividend that are due for transfer to the Central Government are as follows :-

DIVIDEND

DUE FOR THE TRANSFER ON

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 PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956
IN RESPECT OF SPECIAL BUSINESS**

Item No. 5(a)

Mr. S. Khandelwal who was appointed as Additional Director of the Company with effect from 30th October 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. A Notice under Section 257 of the Companies Act, 1956 alongwith requisite deposit has been received by the Company from a member proposing the appointment of Mr. S. Khandelwal as a Director of the Company, liable to retire by rotation.

The proposed resolution is recommended for adoption. None of the Directors except Mr. S. Khandelwal is concerned and/or interested in the aforesaid resolution.



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Item No. 5(b)

The Board of Directors had appointed Mr. S. Khandelwal as an Executive Director of the Company for a period of five years with effect from 30.10.2001 on remuneration and terms as given below.

Mr. S. Khandelwal is a Chartered Accountant with excellent hands-on experience in the Textiles Industry. In view of his qualification and experience, it was considered that the appointment of Mr. S. Khandelwal as an Executive Director of the Company would benefit the Company. In accordance with the terms of appointment, Mr. S. Khandelwal is entitled to the following remuneration:

1. Salary : Rs. 13,115/- per month in the range of Rs. 11,000/- to Rs. 15,000/- per month. The Annual increments in the aforesaid salary will be decided by the Board of Directors.
2. Housing : House Rent Allowance of Rs. 5,000/- per month.
3. Medical : He will be reimbursed medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.
4. Leave Travel Assistance : He will be entitled to avail leave travel assistance for self and family, once in a year in accordance with the rules of the Company but limited to one month's salary in a year.
5. Other Terms : As per rules of the Company

The proposed resolution is recommended for adoption. None of the Directors except Mr. S. Khandelwal is concerned and / or interested in the aforesaid resolution.

Item No. 6

Mr. S. B. Agarwal who was appointed as Additional Director of the Company with effect from 23rd January, 2002 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. A Notice under Section 257 of the Companies Act, 1956 alongwith requisite deposit has been received by the Company from a member proposing the appointment of Mr. S. B. Agarwal as a Director of the Company, liable to retire by rotation.

The proposed resolution is recommended for adoption. None of the Directors except Mr. S. B. Agarwal is concerned and/or interested in the aforesaid resolution.

Item No. 7(a)

Mr. C. S. Jalan who was appointed as Additional Director of the Company with effect from 25th April, 2002 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. A Notice under Section 257 of the Companies Act, 1956 alongwith requisite deposit has been received by the Company from a member proposing the appointment of Mr. C. S. Jalan as a Director of the Company, liable to retire by rotation.

The proposed resolution is recommended for adoption. None of the Directors except Mr. C. S. Jalan is concerned and/or interested in the aforesaid resolution.



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Item No. 7 (b)

The Board of Directors had appointed Mr. C. S. Jalan as Managing Director of the Company for a period of five years with effect from 25.04.2002 on remuneration and terms as given below.

Mr. C. S. Jalan is a Management Graduate and has held senior positions internationally. In view of his background and experience, it was considered that the appointment of Mr. C. S. Jalan as Managing Director of the Company would benefit the Company.

In accordance with the terms of appointment, Mr. C. S. Jalan is entitled to the following remuneration:

1. Salary : Rs. 46,000/- per month in the range of Rs. 41,000/- to Rs. 50,000/- per month. The Annual increments in the aforesaid salary will be decided by the Board of Directors.
2. Housing : He will be provided Housing within a limit of Rs. 25,000/- per month.
3. Conveyance : He will be reimbursed expenses incurred on Conveyance limited to Rs. 9,200/- per month.
4. Medical : He will be reimbursed medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
5. Leave Travel Assistance : He will be entitled to avail leave travel assistance for self and family, once in a year in accordance with the rules of the Company but limited to one month's salary in a year.
6. Car : The Company shall provide a Car, which shall be used exclusively for official purposes.
7. Telephone : The Company shall provide a Telephone for exclusive use for official purposes.
8. Other Terms : As per rules of the Company.

The proposed resolution is recommended for adoption. None of the Directors except Mr. C. S. Jalan is concerned and / or interested in the aforesaid resolution.

Item No. 8

Mr. Robert James Mullis who was appointed as Additional Director of the Company with effect from 25th April 2002 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. A Notice under Section 257 of the Companies Act, 1956 alongwith requisite deposit has been received by the Company from a member proposing the appointment of Mr. Robert James Mullis as a Director of the Company, liable to retire by rotation.

The proposed resolution is recommended for adoption. None of the Directors except Mr. Robert James Mullis is concerned and/or interested in the aforesaid resolution.

Registered Office

'UNI WORTH CENTRE'
70A, Shakespeare Sarani
Kolkata - 700 017
Date: the 25th day of April, 2002

By Order of the Board

P. K. Agarwal
Company Secretary



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DIRECTORS' REPORT TO THE MEMBERS:

Your Directors have pleasure in presenting the 10th Annual Report together with Audited Statement of Accounts for the year ended 31st March 2002.

FINANCIAL HIGHLIGHTS:

	31st March, 2002 (Rs. In Lacs)	31st March, 2001 (Rs. In Lacs)
Sales	4940.81	6536.41
Profit/(Loss) before Interest and Depreciation	(1183.99)	639.44
Less : Interest	1045.39	615.28
Profit / (Loss) before Depreciation	(2229.38)	24.16
Less : Depreciation	392.49	437.04
Profit / (Loss) for the year	(2621.87)	(412.88)
Less : Extra Ordinary Items	(501.61)	-
Net Profit /(Loss)	(3123.48)	(412.88)
Add : Balance b/f from the Previous year	(837.41)	(424.53)
Balance carried to Balance Sheet	<u>(3960.89)</u>	<u>(837.41)</u>

OPERATIONS AND MANAGEMENT DISCUSSION & ANALYSIS :

During the year under review, your company entertained production only to the extent of the sales orders received. This Resulted in restricted production during the year at 21.28 lakh mtrs. which was about 34.5% lower than last year. Average capacity utilization was at 30%.

During the year, the sales prices more or less remained stable in export markets but raw material prices of the woollen and blended yarn increased by more than 50% resulting in operating margins being squeezed temporarily.

During the year, your company was able to liquidate more than 300,000 meters of old stock at a relatively poor price realization. A review of valuation of old stocks was conducted and your directors revalued old stocks at expected price realizations. This resulted in reduction in the value of finished goods stocks by approx. Rs. 1168 lacs.

Your Directors have also provided for permanent diminution in the value of investments to the extent of Rs. 501 lacs.

The above results indicate that the Net worth of the company is completely eroded. Accordingly, the Auditors of the Company have reported that the Company has become a Sick Industrial Company under Clause (o) of sub-section (1) of the Section 3 of the Sick Industrial Company (Special Provisions) Act, 1985.

Your company has commenced the process of revival and has initiated discussion with the lenders and are hopeful of working out a pragmatic restructuring and revival scheme in consultation with the lenders.

REFERENCE TO BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION :

As per the Audited Accounts of the Company for the year ended 31st March 2002, the Company's books shows accumulated losses of Rs. 3960.89 lacs, thereby eroding the entire Net-worth of your company and it has thus now become mandatory for your company to



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make a reference to the Board for Industrial and Financial Reconstruction for determination of the measures which shall be adopted with respect to the Company as per the provisions of Section 15 of the said Act.

DEPOSITS :

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

DIRECTORS' RESPONSIBILITY STATEMENT:

In compliance of Section 217 (2AA) of the Companies Act, 1956, your Directors state as follows:

- a) That in the preparation of accounts, applicable accounting standards have been followed.
- b) That appropriate accounting policies have been selected and applied consistently with reasonable and prudent judgments and estimates so as to give true and fair view of the state of affairs of the Company.
- c) That proper and sufficient care have been taken for the maintenance of adequate accounting records for safeguarding assets and for preventing fraud and other irregularities.
- d) That the Annual Accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE:

As a Listed Company, necessary measures are taken to comply with the Listing Agreements with the Stock Exchanges. A report on Corporate Governance along with a certificate from the Auditors is annexed hereto and forms part of this report.

AUDITORS' REPORT:

The observations of the Auditors and the Notes on Accounts are self-explanatory and therefore do not call for any further clarifications.

DIRECTORS:

The IFCI Nominee Director, Mr. N. D Auddy was withdrawn from the Board with effect from July 30, 2001, and in his place Mr. C. P. Padmanabhan was nominated. Mr. David Hill and Mr. Narendra Kumar have resigned from the board. Your Directors would like to record their appreciation for the services rendered by Mr. N. D. Auddy, Mr. Narendra Kumar and Mr. David Hill.

Mr. K. Srinivasan and Mr. Ashok Kumar retire by rotation at the ensuing Annual General meeting and, being eligible, offer themselves for re-appointment.

Mr. S. B. Agarwal, Mr. S. Khandelwal, Mr. C. S. Jalan and Mr. Robert James Mullis have been appointed as Additional Directors. Mr. S. Khandelwal and Mr. C. S. Jalan have been additionally appointed as Executive Director and Managing Director respectively. Appropriate Resolutions seeking your approval are appearing in the Notice convening the Annual General Meeting.



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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) (2) 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 Government, Financial Institutions, Banks, Shareholders and others during the year under review.

On Behalf of the Board

Place: Nagpur

Date : the 25th day of April, 2002

C. S. Jalan

Managing Director

S. Khandelwal

Executive Director

ANNEXURE-I TO THE DIRECTORS REPORT

STATEMENT SHOWING PARTICULARS PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1998

'FORM A'

Form for Disclosure of particulars with respect to Consumption of Energy

ENERGY CONSERVATION

A) POWER AND FUEL CONSUMPTION

	<u>2001-2002</u>	<u>2000-2001</u>
I Electricity		
a) Purchase Unit (KWH in lacs)	47.57	58.09
b) Total Amount (Rs. In lacs)	195.57	212.90
c) Rate/KWH (In lacs)	4.11	3.67