



**UNIWORTH
TEXTILES
LIMITED**



**ANNUAL
REPORT
2002-2003**



UNIWORTH
TEXTILES
LIMITED

BOARD OF DIRECTORS

(As on 30.06.2003)

RAKESH KUMAR KALIA – Managing Director
ASHOK KUMAR
KRISHNAMURTHI SRINIVASAN
C. P. PADMANABHAN – IFCI Nominee
SURENDRA KHANDELWAL
PARTHO PAL CHOWDHURY
ANJAN DEB

AUDIT COMMITTEE

(As on 30.06.2003)

KRISHNAMURTHI SRINIVASAN
C. P. PADMANABHAN
SURENDRA KHANDELWAL
PARTHO PAL CHOWDHURY
ANJAN DEB
RAKESH KUMAR KALIA

REGISTERED OFFICE

'UNIWORTH CENTRE'
70A, Shakespeare Sarani
Kolkata - 700 017
Phone : (033) 2240-8885
Fax : (033) 2240-8301/02

COMPANY SECRETARY

SUBID CHANDRA MAJUMDER

AUDITORS

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

BANKERS

CENTURION BANK LTD.
THE HONGKONG & SANGHAI
BANKING CORPORATION LTD.
HDFC BANK LTD.
INDUSIND BANK LTD.
PUNJAB & SIND BANK
STATE BANK OF INDIA

SOLICITORS

M/s. KHAITAN & CO.,

REGISTRARS

AXC Computers Private Limited
(Formerly ABC Computers Pvt. Ltd.)
National Council of Education Building
Jadavpur University Campus
Kolkata - 700 032
Phone : (033) 2414-6363/6292
Fax : (033) 2413-7900

WORKS

100% EOU Weaving Unit
Urla Growth Centre
Raipur, Chattisgarh

100% EOU Finishing Unit
MIDC, Butibori
Nagpur, Maharashtra



**UNIWORTH
TEXTILES
LIMITED**

NOTICE :

Notice is hereby given that the 11th Annual General Meeting of the Members of UNIWORTH TEXTILES LIMITED will be held at Science City, Mini Auditorium, JBS Haldane Avenue, Kolkata - 700 046 on Thursday, the 18th day of December, 2003 at 11.30 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 31st March, 2003 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. Surendra Khandelwal, 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. R. K. Kalia, who was appointed as an Additional Director and subsequently as a Managing 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. R. K. Kalia as a Managing Director of the Company for a period of 5 years with effect from 29th October, 2002 on such remuneration and terms as set out in the Explanatory Statement.
5. To consider and, if thought fit, to pass with or without modification, the following resolution :

As Ordinary Resolution :

RESOLVED THAT Mr. P. P. Chowdhury, who was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act,



**UNI WORTH
TEXTILES
LIMITED**

1956 and Article 80 (a) of the Company's Articles of Association 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.

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

As Ordinary Resolution :

RESOLVED THAT Mr. Anjan Deb, 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 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.

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

As Ordinary Resolution :

RESOLVED THAT pursuant to the provisions of Section 149 (2A) of the Companies Act, 1956, approval be and is hereby accorded to the Company for commencing the business of carrying on as buyers, sellers, importers, exporters, manufacturers, producers, dealers, buying, selling or commission agents and otherwise in the following -

All kinds of yarn (synthetic and natural), Textiles, Textiles Products, including readymade garments.

(As provided in Item 3(ii) of Sub-clauses (C) of Clause III of the Memorandum of Association of the Company).

Registered Office :

'UNI WORTH CENTRE'
70A, Shakespeare Sarani
Kolkata - 700 017
Date : 30th June, 2003

By Order of the Board

S. C. Majumder
Company Secretary

★ AGM originally scheduled to be held on 26.09.2003 will now be held on 18.12.2003 due to non-availability of data-base from Registrars. Requisite Extension granted by ROC.



**UNI WORTH
TEXTILES
LIMITED**

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 19th September, 2003 to 26th September, 2003, both days inclusive.
- c) Intimation of any change of address should be given to the Registrar & Transfer Agent/ 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) Listing fees have been paid to Calcutta Stock Exchange and Stock Exchange, Mumbai upto 2002-2003.
- g) The unclaimed Dividend that are due for transfer to the Central Government are as follows :-

DIVIDEND	FINANCIAL YEAR	DUE FOR 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. 4(a)

Mr. R. K. Kalia who was appointed as an Additional Director of the Company with effect from 29th October, 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. R. K. Kalia as a Director of the Company, liable to retire by rotation.



**UNIWORTH
TEXTILES
LIMITED**

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

Item No. 4(b)

The Board of Directors had appointed Mr. R. K. Kalia as a Managing Director of the Company for a period of five years with effect from 29th October, 2002 on remuneration and terms as given below.

Mr. R. K. Kalia is a highly qualified professional with excellent hands-on experience in the Textiles Industry. In view of his qualification and experience, it was considered that the appointment of Mr. R. K. Kalia as a Managing Director of the Company would benefit the Company.

In accordance with the terms of appointment, Mr. R. K. Kalia is entitled to the following remuneration :

1. Salary : Rs. 111500/- per month. The Annual increments in the aforesaid salary will be decided by the Board of Directors.
2. Housing : Accommodation as per Company's policy.
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. R. K. Kalia is concerned and / or interested in the aforesaid resolution.

Item No. 5

Mr. P. P. Chowdhury, who was appointed as an Additional Director of the Company with effect from 1st June, 2003 in terms of Section 260 of the Companies Act, 1956 and Article 80(a) of the Articles of Association of the Company, has vacated office. 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. P. P. Chowdhury as a Director of the Company, liable to retire by rotation.

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

Item No. 6

Mr. Anjan Deb, who was appointed as an Additional Director of the Company with effect from 1st June, 2003 in terms of Section 260 of the Companies Act, 1956 and Article 80(a) of the Articles of Association of the Company, has vacated office. A Notice under Section



**UNI WORTH
TEXTILES
LIMITED**

257 of the Companies Act, 1956 alongwith requisite deposit has been received by the Company from a member proposing the appointment of Mr. Anjan Deb as a Director of the Company, liable to retire by rotation.

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

Item No. 7

The Company proposes to commence the business of dealing in readymade garments and other textile products of every description, apparel of every kind, all kinds of yarn (synthetic and natural) and all kinds of textiles products in India and abroad and also to deal in any other related items and in connection therewith as provided, in Item 3(ii) of Sub-clause (C) Other Object of Object Clause III of the Memorandum of Association of the Company.

Section 149(2A) of the Companies Act, 1956 interalia provides that a Company shall not commence any business at any time in relation to any of the objects as stated in its Memorandum of Association unless the Company has approved the commencement of any such business by a Special Resolution passed in that behalf in a General Meeting.

The proposed resolution is recommended for adoption. None of the Directors is directly or indirectly concerned and/or interested in the aforesaid resolution.

Registered Office :

'UNI WORTH CENTRE'
70A Shakespeare Sarani
Kolkata - 700 017
Date : 30th June, 2003

By Order of the Board

S. C. Majumder
Company Secretary



**UNI WORTH
TEXTILES
LIMITED**



DIRECTORS' REPORT TO THE MEMBERS :

Your Directors have pleasure in presenting the 11th Annual Report together with Audited Statement of Accounts for the year ended 31st March , 2003

FINANCIAL HIGHLIGHTS :

	31st March 2003 (Rs. In Lacs)	31st March 2002 (Rs. In Lacs)
Sales	4460.27	4940.81
Profit/(Loss) before Interest and Depreciation	500.09	(1183.99)
Less : Interest	966.16	1045.39
Profit / (Loss) before Depreciation	(466.07)	(2229.38)
Less : Depreciation	403.94	392.49
Profit / (Loss) for the year	(870.02)	(2621.87)
Less : Extra Ordinary items	(1706.44)	(501.61)
Net Profit /(Loss)	(2576.46)	(3123.48)
Add : Balance b/f from the Previous year	3960.89	(837.41)
Balance carried to Balance Sheet	(6537.35)	(3960.89)

OPERATIONS AND MANAGEMENT DISCUSSION & ANALYSIS :

The Company's performance during the year under review was a major improvement in comparison to previous year. Profits before interest and depreciation improved to Rs. 5.00 Crores as against a loss of Rs. 11.89 crores in the previous year. This could be achieved through optimum product mix and a better sales and marketing policy.

The policy of strict cost control measures in all spheres of operations together with the production planning strictly against orders received from each segment of the markets, resulted in lower cost of production, lower inventories and better profitability.

The Export Market has been gradually stabilizing and the strategic markets of North America, South East Asia including Japan and the Middle East have improved substantially. Only the European market has not yielded the desired results but all efforts are to develop the full potential of this segment.

However, the net worth of the company being fully eroded, references had been made to the BIFR under the provisions of the Sick Industrial Company (Special Provision) Act, 1985 which is still pending with the Board. The company has commenced the process of revival in consultation with the Lenders.

DEPOSITS :

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



**UNIWORTH
TEXTILES
LIMITED**

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 judgements 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 Clause 49 of the Listing Agreements with the Stock Exchanges. A report on Corporate Governance along with a certificate from the Auditors is annexed hereto and forms a 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 :

Mr.S. Khandelwal retires by rotation at the ensuing Annual General meeting and, being eligible, offer himself for re-appointment. He has resigned from the post of Executive Director but continue as a Director liable to retire by rotation.

Mr. C. S. Jalan was appointed as an Additional and subsequently as Managing Director of the Company during the year and he has subsequently resigned from the Board with effect from 23rd May, 2003. Mr. Robert James Mullis was appointed as an Additional Director during the year and he has subsequently resigned from the Board with effect from 29th October, 2002. Mr. S. B. Agarwal has resigned from the Board with effect from 1st October, 2002. Mr. Samir Ghosh has resigned from the Board with effect from 27th November, 2002. Your Directors place on record their appreciation for the valuable services rendered by them.

Since the last Annual General Meeting, Mr. R. K. Kalia has been appointed as Managing Director of the Company with effect from 29th October, 2002. Mr. P.P. Chowdhury and Mr. Anjan Deb have been appointed as Additional Directors of the Company with effect from 1st June, 2003. Appropriate Resolutions seeking your approval for their appointments is appearing in the Notice convening the Annual General Meeting.



**UNI WORTH
TEXTILES
LIMITED**

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 : Kolkata

R. K. Kalia

P. P. Chowdhury

Date : 30th June , 2003

Managing Director

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>2002-2003</u>	<u>2001-2002</u>
Electricity		
a) Purchase Unit (KWH in lacs)	43.76	47.57
b) Total Amount (Rs. In lacs)	181.21	195.57
c) Rate/KWH (In lacs)	4.14	4.11