



**UNIWORTH
LIMITED**



**A N N U A L
R E P O R T
2 0 0 0 - 2 0 0 1**



UNI WORTH
LIMITED

Board of Directors

LOHIA AJAI PRAKASH	-	MANAGING DIRECTOR
SMALL WAYNE F.	-	
UNNI K. VIJAYAN	-	ICICI NOMINEE
MUKHOPADHYAY T. K.	-	IDBI NOMINEE
K DARBARI	-	(ALTERNATE TO MR W F SMALL)

Audit Committee

MUKHOPADHYAY T. K.	-	CHAIRMAN
UNNI K. VIJAYAN		
DARBARI K		
SMALL W. F.		

Company Secretary

KANODIA ANAND KUMAR

Auditors

SINGHI & CO.,
Chartered Accountants

S. S. KOTHARI & CO.,
Chartered Accountants

Registered Office

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

Bankers

ABN AMRO BANK N. V.
ALLAHABAD BANK
BANK OF AMERICA
CENTURION BANK LIMITED
DEUTSCHE BANK
HDFC BANK LIMITED
THE HONGKONG & SHANGHAI BANKING
CORPORATION LTD
THE FEDERAL BANK LTD
STATE BANK OF MYSORE
STATE BANK OF INDIA
UNITED BANK OF INDIA
UTI BANK LIMITED
THE BANK OF RAJASTHAN LIMITED

Registrars

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

Works

100% EOU Spinning Unit
Urla Growth Centre
Raipur, M.P.

Solicitors

M/s. KHAITAN & CO.,

Silk Division

AMRITI URLA GROWTH CENTRE
MALDA, W. B. RAIPUR, M.P.

UNI WORTH
LIMITED**NOTICE :**

Notice is hereby given that the Thirteenth Annual General Meeting of the Members of UNI WORTH LIMITED will be held at Science City, Mini Auditorium, JBS Haldene Avenue, Kolkata - 700 046 on Thursday, the 31st day of May, 2001 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, 2001 and the Profit & Loss Account for the year ended on that date and the Auditors' Report thereon.
2. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

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

As Ordinary Resolution :

- (a) **RESOLVED THAT** the erosion of hundred percent of the Company's networth as at the year ended 31st March 2001, resulting in the Company becoming a sick company as per the provisions of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985, be and is hereby considered in all respects
- (b) **RESOLVED THAT** pursuant to Section 269 and other applicable provisions of the Companies Act, 1956 and subject to the limits specified in Schedule XIII to the Companies Act 1956, the remuneration as set out in explanatory statement and paid to Mr M L Pamecha for the period from 22nd December 2000 to 29th March 2001, the period during which he was Wholetime Director of the Company be and is hereby approved.
- (c) **RESOLVED THAT** pursuant to Section 94 and other applicable provisions of the Companies Act 1956, the Capital clause of the Memorandum of Association be amended as under :

RESOLVED THAT pursuant to the provision of section 94 and other applicable provisions if any, of the Companies Act, 1956 the Authorised Share Capital of the Company Rs. 1,30,00,00,000 (Rupees One Hundred Thirty Crores only) divided into 5,50,00,000 (Five Crores fifty Lacs) Equity Shares of Rs.10 (Rupees Ten) each and 75,00,000 (Seventy five lacs) Preference Shares of Rs.100 (Rupees One Hundred) each be sub-divided into 4,00,00,000 (Four Crores) Equity Share of Rs.10/- (Rupees ten) each and 90,00,000 (Ninety lacs) Preference Share of Rs.100/- (Rupees One Hundred) each and Capital clause in the Memorandum & Association of the company be altered accordingly.

Registered Office
'UNI WORTH CENTRE'
70A, Shakespeare Sarani,
Kolkata - 700 017
Date : the 20th day of April, 2001

By Order of the Board

A. K. Kanodia
Company Secretary



UNI WORTH
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 25/5/2001 to 31/5/2001 (both days inclusive).
- c) The Equity Shares of the Company were initially listed with the Stock Exchanges at Ahmedabad, Bangalore, Kolkata, Delhi and Mumbai. Shareholders at the last Annual General Meeting have passed a resolution approving delisting of the shares at Ahmedabad, Bangalore and Delhi Stock Exchanges. Listing fees have been paid upto 2000-2001.
- d) The unclaimed Dividend that are due for transfer to the Central Government are as follows:

DIVIDEND

DUE FOR THE TRANSFER ON

9th Equity Dividend (Final)	1994-95	10.12.2002
10th Equity Dividend (Interim)	1995-96	15.05.2003
11th Equity Dividend (Final)	1995-96	12.12.2003
12th Equity Dividend (Final)	1996-97	28.10.2004
13th Equity Dividend (Final)	1997-98	11.11.2005

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.

- e) Explanatory Statement U/s. 173(2) of the Companies Act, 1956 is annexed herewith in respect of items of special business.
- f) The Company is providing nomination facility in accordance with the provisions of Section 109A and 109B of the Companies Act, 1956.

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

Item No. 3(a)

Audited Accounts of the company for the year ended 31st March 2001 reflects complete erosion of net worth and the company, as required under Section 15 of the SICA, filed application with Board for Industrial and Financial Reconstruction. A resolution needs to be passed by the shareholders authorizing Mr W F Small/Mr K Darbari, Directors of the company to take necessary action in the matter and also for ratifying the action taken by them.

Item No. 3(b)

The Board of Directors ("The Board") of the Company at its Meeting held on 22nd December 2000 appointed Mr M L Pamecha as Wholetime Director effective 22nd December 2000.

Mr M L Pamecha is a Chartered Accountant and has rich experience. Considering his background and experience, it was considered that the appointment of Mr M L Pamecha as Wholetime Director would benefit the company.

The main terms of appointment of Mr M L Pamecha, as Wholetime Director, were as under :



UNIWORTH
LIMITED

In accordance with the terms of appointment, Mr M L Pamecha was entitled to the following remuneration :

Salary	:	Rs. 18,000/- per month The Annual increments in the aforesaid salary which will be effective from 1st April each year, will be decided by the Board of Directors.
Housing	:	He will be paid House Rent Allowance of Rs. 7000/- per month
Special Allowance	:	He will be paid a special allowance of Rs. 6500/- per month
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
Leave Travel Concession	:	He will be entitled to avail leave travel concession for self and family, once in a year incurred in accordance with the rules specified by the company subject to a maximum of one month's salary in a year

Since Mr M L Pamecha has resigned from the Board on 29th March 2001, this resolution is proposed for the purpose of approval of the remuneration paid to him during his tenure as Director

None of the Directors is concerned or interested in the resolution, except as a shareholder in general.

Item 3(c)

One of the proposals for reviving the company is conversion of loans to Preference Shares and the present Authorised Share Capital of the Company has to be altered for this purpose as also the Capital clause of Memorandum of Association of the Company

The Board of Directors recommend passing of the aforesaid resolution in the interest of the Company

None of the Directors of the Company is concerned or interested in the resolution.

Registered Office:
'UNIWORTH CENTRE'
70A, Shakespeare Sarani,
Kolkata - 700 017
Date : the 20th day of April, 2001

By Order of the Board

A. K. Kanodia
Company Secretary





UNI WORTH
LIMITED

DIRECTORS' REPORT TO THE MEMBERS :

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

FINANCIAL HIGHLIGHTS :

	31-Mar-01 (Rs. In Lacs)	31-March-00 (Rs. In Lacs)
Total Income	24756.23	14431.31
Profit/(Loss) before Interest and Depreciation	983.99	-502.78
Before prior period adjustment		
Previous year adjustments	-2106.90	-2.47
Profit/(Loss) before Depreciation	-1122.91	-505.25
Less : Interest for the year	4555.41	1139.98
Profit/(Loss) before Depreciation	-5678.32	-1645.18
Less : Depreciation	960.48	2031.94
Profit/(Loss) before Tax	-6638.81	-3677.12
Profit/(Loss) after Tax for the year	-6638.81	-3677.12
Add : Extra Ordinary Item (Net)	4295.38	1576.16
	-10934.19	-5253.28
Add : Balance B/F from the Previous Year	-5253.28	--
Profit/(Loss) available for appropriation	-16187.47	-5253.28
Balance carried to Balance Sheet	-16187.47	-5253.28
	-16187.47	-5253.28

OPERATIONS :

As reported last year, ICICI (lead lending institution) had drawn up restructuring proposal. It was anticipated that the other lenders would also follow the scheme and accordingly interest was provided as per the restructuring scheme during last year. However, approval has not come from other lenders except State Bank of India. As per accounting standards, we have provided interest as per the stipulated terms with the lenders.

The profit before interest and depreciation before prior period adjustments for the year shows a profit of Rs.983.99 lacs as against loss of Rs.502.78 lacs during previous year.

In addition to the above, the company has provided for the following as required :-

- Loans & Interest amounting to Rs.2537.92 lacs due from KDL Pharma Ltd., a company set up in a backward area of Madhya Pradesh has ceased to be viable and has been declared sick under SICA.
- An amount of Rs.690.65 lacs advanced to Uniworth Agro Ltd towards project for manufacture of Sugar, Furfural, Alcohol etc. The related project has been shelved on account of State of Orissa's inability to make available essential infrastructure facilities like Land, Power, Water etc.
- For erosion in value of investments amounting to Rs. 561.08 lacs.
- Book value of obsolete and redundant assets of Power Division amounting to Rs.515.60 lacs.

The above results indicate that the networth of the company is completely eroded. Accordingly, the auditors of the Company have reported that the company has become a sick industrial company under



UNIORTH
LIMITED

Clause (O) of sub-section (1) of Section 3 of the Sick Industrial Company (Special Provisions) Act, 1985.

Your company has initiated the process of reviving and we are hopeful of working out a pragmatic scheme in consultation with lenders.

REFERENCE TO BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION

As per the Audited Accounts of the company for the year ended 31st March 2001, the company's books show accumulated losses of Rs.16187.47 lacs, thereby eroding the entire networth of your company and it has now become mandatory for your company to make a reference to 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.

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 :

- 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 observations made in the Auditors' Report have been dealt with in the Notes to the Profit & Loss Account and the Balance Sheet in Schedule 22 of the Accounts. These are self explanatory and do not call for further comments.

Due to delay in approval of restructuring and the consequent liquidity crunch the company could not fully meet its commitments to debentureholders. Hence, the Auditors' have qualified their report accordingly.

DIRECTORS

Mr S L Baluja and Mr K Srinivasan resigned from the Board on 10th November 2000, Mr S Bhattacharya resigned on 13th November 2000, Mr N Sitaraman resigned on 1st December 2000 and Mr. P K Khaitan resigned from the Board on 5th December 2000. Your Directors would like to record their appreciation for the services rendered by the aforesaid Directors.

Mr M L Pamecha who was appointed as a Wholetime Director on 22nd December 2000, subject to the approval of shareholders, resigned from the Board on 29th March 2001. Appropriate resolution seeking your approval for the remuneration paid to him for the period from 22.12.2000 to 29.3.2001 is appearing in the Notice annexed to the report.



UNI WORTH
LIMITED

Mr. W F Small, a wholetime Director, resigned as Wholetime Director from the company on 29th March, 2001 but he is willing to continue as ordinary (Non-Executive) Director. The Board has taken note of the same in their meeting held on 29.3. 2001. Mr K Darbari was appointed as an alternate Director to Mr W F Small on 29.3.2001.

Mr. W. F. Small is the only Director, liable to retire by rotation. Section 256 of the Companies Act, 1956 provides for retirement of one third of directors due for retirement at every Annual General Meeting, after the first Annual General Meeting and in case the number is not 3 or multiple of 3, then the number nearest to one third shall retire. Hence, no director is liable to retire by rotation.

AUDITORS

During the year, Board of Directors appointed M/s. Singhi & Co., Chartered Accountants as joint auditors in the casual vacancy arising out of amalgamation of M/s. R Singhi & Co. with M/s. Singhi & Co.

M/s. Singhi & Co., Chartered Accountants and 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 exceeds the limit specified under Section 217(2A) of the Companies Act, 1956

ADDITIONAL INFORMATION

Information in accordance with the provisions 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 regarding Conservation of Energy, Technology, Absorption and Foreign Exchange Earnings and Outgo is given in the annexure forming part of this Report.

INDUSTRIAL RELATIONS

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.

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Central and State Government, Financial Institutions, Banks, Shareholders, Investors and all those associated with the Company during the year under review.

On Behalf of the Board

Date : the 20th day of April, 2001

A P LOHIA
Managing Director

K DARBARI
Director



UNI WORTH
LIMITED

ANNEXURE 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)	5.20	4.26
	Total Amount (Rs. In lacs)	20.75	18.12
	Rate/KWH (In Rs.)	3.99	4.25
b)	Own Generation		
	Through Generator/Units (KWH/Lacs)	430.92	579.93
	Units/Ltr.	3.98	3.96
	Cost/Unit (Rs./Unit)	2.06	1.73
II.	Coal		
	Quantity (Tonnes)	1481.27	1278.26
	Total Cost (Rs. In Lacs)	32.43	25.86
	Average rate per tonne (in Rs.)	2189.51	2023.06
III.	Furnace Oil		
	Quantity (K. Ltr.)	12205.60	15490.36
	Total Amount (Rs in Lacs)	999.42	1116.47
	Average rate per ltr. (In Rs.)	8.19	7.21
B) CONSUMPTION PER UNIT PRODUCTION			
	Production (Kg in lacs)		
	Worsted Yarn	22.41	40.28
	Silk Spun Yarn	1.49	1.20
	Open End Yarn	1.38	1.44
	Noil Yarn	0.59	0.21
	Electricity per Kg. (Units)		
	Worsted Yarn	10.62	10.35
	Silk Spun Yarn	23.01	30.78
	Open End Yarn	6.32	7.58
	Noil Yarn	3.31	5.01
	HSD (Ltrs. In thousand)	10.00	

'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 :
 - Continuous improvement in Quality Standards to match the International Markets.
 - Continuous technological and market innovation to match the changed requirements of the markets.



UNI WORTH
LIMITED

- : ✎ Development of new value added products such as Dyed Yarn, Vigreous printing, Lycra blend yarn etc.
 - : ✎ Started manufacturing all types of shades to meet the local and export market demand.
 - : ✎ Research & Development lab and pilot plant in Dyeing Department started for developing all kinds of shades.
 - : ✎ Incorporated computerized color matching system in Dyeing Department for mix and match regularly.
 - : ✎ Started Polyester Top making from Tow by installing Tow to Top converter.
 - : ✎ Increased the Dyeing Plant capacity from 90 MT to 120 MT per month in first phase by installing Longclose machine.
 2. Benefits derived as a result of the above R & D
 - : ✎ ISO 9002 renewal have been done this year.
 - : ✎ Converted all slow speed Combers to high speed for increasing Top production capacity.
 - : ✎ Increased Card production capacity from 10 MT to 13 MT per day by making some technical development and changes in machines.
 - : ✎ Ring Frame productivity in Poly Wool & Dyed Yarn has increased.
 - : ✎ Twisting capacity has increased by installing more TFO machines.
 3. Future plan of action
 - : ✎ Development for new value added variety of Yarns in Lycra blend & Siro etc.
 - : ✎ Strengthening the research on quality Improvement
 - : ✎ To achieve total quality management cost reduction
 - : ✎ To increase the Dyeing plant capacity from 120 MT to 160 MT per month in second phase by installing Longclose machine.