



**UNIWORTH
LIMITED**

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**ANNUAL
REPORT
2002-2003**



UNI WORTH
LIMITED

BOARD OF DIRECTORS

(As on 30.06.2003)

KISHORE JHUNJHUNWALA - *Executive Director*
SHIV SHARMA - *Executive Director*
B PAUL MUKTIEH - *IDBI Nominee*
AJAI PRAKASH LOHIA
ANAND GOPAL BHATNAGAR
SHREEKRISHAN JHUNJHUNWALA

AUDIT COMMITTEE

(As on 30.06.2003)

AJAI PRAKASH LOHIA
ANAND GOPAL BHATNAGAR
SHREEKRISHAN JHUNJHUNWALA
KISHORE JHUNJHUNWALA
SHIV SHARMA

COMPANY SECRETARY

PARTHO PAL CHOWDHURY

AUDITORS

M/s. SINGHI & CO.,
Chartered Accountants

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

BANKERS

ABN AMRO BANK
ALLAHABAD BANK
BANK OF AMERICA
CENTURION BANK LTD.
DEUTSCHE BANK
HDFC BANK LTD.
THE HONGKONG & SANGHAI
BANKING CORPORATION LTD.
THE FEDERAL BANK LTD.
STATE BANK OF MYSORE
STATE BANK OF INDIA
UNITED BANK OF INDIA
UTI BANK LTD.

SOLICITORS

M/s. KHAITAN & CO.,

REGISTERED OFFICE

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

REGISTRARS

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

WORKS

100% EOU Spinning Unit
Urla Growth Centre
Raipur, Chattisgarh

SILK DIVISION

Amriti Urla Growth Centre
Malda, W.B. Raipur, Chattisgarh



**UNI WORTH
LIMITED**

NOTICE :

Notice is hereby given that the 15th Annual General Meeting of the Members of UNI WORTH LIMITED will be held at Science City, Mini Auditorium, JBS Haldane Avenue, Kolkata - 700 046 on Thursday, the 18th day of December, r, 2003 at 10.30 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. K. Jhunhunwala, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. A. G. Bhatnagar, 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 resolution

As Ordinary Resolution :

RESOLVED THAT Mr. S. K. Jhunhunwala, 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 93 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.

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

As Ordinary Resolution :

- (a) **RESOLVED THAT** Mr. Shiv Sharma, who was appointed as an Additional Director and subsequently as an Executive Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article 93 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.



**UNI WORTH
LIMITED**

- (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. Shiv Sharma as an Executive Director of the Company for a period of 5 years with effect from 30th June, 2003 on such remuneration and terms as set out in the Explanatory Statement.

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

By Order of the Board

P. P. Chowdhury
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.

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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 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 the Stock Exchange, Mumbai upto 2002-2003.



**UNI WORTH
LIMITED**

- g) The unclaimed Dividend that are due for transfer to the Central Government are as follows :-

<u>DIVIDEND</u>	<u>FINANCIAL YEAR</u>	<u>DUE FOR TRANSFER ON</u>
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 Registrar 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

Mr. S. K. Jhunhunwala, who was appointed as an Additional Director of the Company with effect from 31st October, 2002 in terms of Section 260 of the Companies Act, 1956 and Article 93 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. K. Jhunhunwala 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. K. Jhunhunwala is concerned and/or interested in the aforesaid resolution.

Item No. 6(a)

Mr. Shiv Sharma who was appointed as an Additional Director of the Company with effect from 30th June, 2003 in terms of Section 260 of the Companies Act, 1956 and Article 93 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. Shiv Sharma as a Director of the Company, liable to retire by rotation.

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

Item No. 6(b)

The Board of Directors had appointed Mr. Shiv Sharma as an Executive Director of the Company for a period of five years with effect from 30th June, 2003 on remuneration and terms as given below.



**UNI WORTH
LIMITED**

Mr. Shiv Sharma is a qualified professional with wide experience in Industry. In view of his qualification and experience, it was considered that the appointment of Mr. Shiv Sharma as an Executive Director of the Company would benefit the Company.

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

- | | | |
|----------------------------|---|---|
| 1. Salary | : | Rs. 32550/- per month. The Annual increments in the aforesaid salary will be decided by the Board of Directors. |
| 2. Housing | : | Furnished Accommodation as per Company's Policy. |
| 3. 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. |
| 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 months' salary over a period of three years. |
| 5. Other Terms | : | As per rules of the Company. |

The proposed resolution is recommended for adoption. None of the Directors except Mr. Shiv Sharma is 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

P. P. Chowdhury
Company Secretary



**UNI WORTH
LIMITED**

DIRECTORS' REPORT TO THE MEMBERS :

Your Directors have pleasure in presenting the 15th 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)
Total Income	13340.02	16743.17
Profit/(Loss) before Interest and Depreciation Before prior period adjustment	2484.04	117.19
Previous year adjustments	(40.36)	(347.47)
Profit / (Loss) before Interest and Depreciation	2423.68	(230.28)
Less : Interest for the year	4054.56	3924.32
Profit / (Loss) before Depreciation	(1630.88)	(4154.60)
Less : Depreciation	1037.25	967.06
Profit / (Loss) before Tax	(2668.13)	(5121.66)
Less : Provision for taxation	-	-
Profit / (Loss) after Tax for the year	(2668.13)	(5121.66)
Add : Extra Ordinary Item (Net)	12972.29	1937.66
	(15640.42)	(7059.32)
Add : Balance b/f from the Previous year	(23246.79)	(16187.47)
Profit/(Loss) carried to Balance Sheet	(38887.21)	(23246.79)

OPERATIONS AND MANAGEMENT DISCUSSION & ANALYSIS :

The Company's performance during the year under review was a major improvement in comparison to previous year. Profit before interest and depreciation improved to Rs.696.57 Lacs (excluding notional gain of Rs.1727.11 Lacs during current year on account of foreign exchange gain.) as against a profit of Rs.187.07 Lacs (excluding loss of Rs. 417.35 Lacs) in the previous year. This could be achieved through optimum product mix and a better sales and marketing policy. In spite of demand for worsted woolen yarn, the primary business of the company continued to decline substantially in the world market due to increasing price trend of Raw wool price. The company achieved better results through better management policies, better capacity utilization, strict cost controls and introduction of new products in Domestic Market and Export Market. The Company has made efforts to develop new products of blended yarns with updated dyeing and processing capacity.

Your Directors have provided for loss on extra ordinary items in the profit and loss account during the year on two accounts. First is the claims and commissions amounting to Rs.8722.28 Lacs to the overseas buyers to bring more transparency in the books of account. It will be finalised and set off against the debtors once the Company's restructuring and revival is completed. Second, is the loss on sale of an investment in Uniworth Textiles Ltd, a Company referred to BIFR under Sick Industrial Companies (Special Provisions) Act, 1985 at a net present value amounting to Rs.532.00 Lacs totaling to Rs.4218.00 Lacs.



**UNI WORTH
LIMITED**

As reported last year, your company has referred to BIFR under the Sick Industrial Companies (Special Provisions) Act, 1985 Act. In the meanwhile all the secured lenders of the company has invoked the provisions of newly enacted SERFASI ACT to sell its entire assets of the company to realize their dues. A global tender was floated and the outcome of the sale to the sole bidder is still pending and is lying subjudice in the Hon'ble High Court of Kolkata.

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 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 part of this Report.

AUDITORS' REPORT :

The Company has made adequate provision for investment in Equity Shares of Companies referred to BIFR under mandatory provisions of Sick Industrial Companies (Special Provisions) Act, 1985. However, the management considers it unnecessary to make provision for other Long-term Investments. Loans & Advances and Debtors as the Companies referred to BIFR are running as a going concern, all trade related transactions are carried out as normal business transactions and are expected to continue for foreseeable future. All outstanding Bills are crystallized and the company is expected to get the approval of Appropriate Authority for adjustment against import dues. Therefore, provision for loss on Exchange revaluation is not necessary. Due to non-receipt of consent of few term lenders for restructuring in time and the consequent liquidity crunch, the company could not fully meet its commitment to the debenture-holders. Under the revised Restructuring proposal, management has taken care to make payments to debenture-holders in preference to others.

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


**UNI WORTH
LIMITED**
DIRECTORS :

Mr. K. Jhunjhunwala and Mr. A. G. Bhatnagar retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

Mr. K. Darbari has resigned from the Board with effect from 30th June, 2002. Mr. S. K. Jain has resigned from the Board with effect from 23rd July, 2002. Your Directors place on record their appreciation for the valuable services rendered by them.

Since the last Annual General Meeting, Mr. S. K. Jhunjhunwala has been appointed as an Additional Director of the Company with effect from 31st October, 2002. Mr. Shiv Sharma has been appointed as an Additional and subsequently as an Executive Director of the Company with effect from 30th June, 2003. Appropriate Resolutions seeking your approval for their appointments is appearing in the Notice convening the Annual General Meeting.

AUDITORS :

M/s Singhi & Co., Chartered Accountants and M/s S. S. Kothari & Co., Chartered Accountants, Joint Auditors of the company are retiring at the ensuing Annual General Meeting of the company 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
Date : 30th June , 2003

K. Jhunjhunwala
Executive Director

Shiv Sharma
Executive Director



**UNI WORTH
LIMITED**

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	2002-2003	2001-2002
I. Electricity		
a) Purchase Unit (KWH in lacs)	25.86	21.95
Total Amount (Rs. In lacs)	102.64	91.85
Rate/KWH (In lacs)	3.97	4.18
b) Own Generation		
Through Generator/Units (KWH in lacs)	390.56	331.56
Units/Ltr.	3.94	3.64
Cost/Unit (Rs./ Unit)	2.87	2.45
II. Coal		
Quantity (tones)	833.47	1077.30
Total Cost (Rs. In Lacs)	21.45	27.14
Average rate per tonne (In Rs.)	2573.58	2519.12
III. Furnace Oil		
Quantity (K. Ltr.)	7634.91	10445.00
Total Amount (Rs. In Lacs)	792.85	836.03
Average rate per Ltr. (In Rs.)	10.38	8.00
B) CONSUMPTION PER UNIT PRODUCTION		
Production (Kg. In lacs)		
Worsted Yarn	35.20	18.62
Silk Spun Yarn	0.82	1.05
Open End Yarn	0.47	0.97
Noil Yarn	0.67	0.82
Electricity per Kg. (Units)		
Worsted Yarn	7.75	12.39
Silk Spun Yarn	31.11	50.83
Open End Yarn	4.85	12.90
Noil Yarn	3.73	5.87
HSD (Ltrs. In thousand)	0.18	NIL