



**UNIWORTH  
LIMITED**

Report  junction.com

**ANNUAL  
REPORT  
2003-2004**

## **BOARD OF DIRECTORS**

(As on 23.06.2004)

KISHORE JHUNJHUNWALA	- Executive Director
SHIV SHARMA	- Executive Director
B PAUL MUKTIEH	- IDBI Nominæe
AJAI PRAKASH LOHIA	
ANAND GOPAL BHATNAGAR	
SHREEKRISHAN JHUNJHUNWALA	
SUBID CHANDRA MAJUMDER	
SUNIL KUMAR JAIN	

## **AUDIT COMMITTEE**

(As on 23.06.2004)

AJAI PRAKASH LOHIA  
ANAND GOPAL BHATNAGAR  
SHREEKRISHAN JHUNJHUNWALA  
SUBID CHANDRA MAJUMDER  
SUNIL KUMAR JAIN  
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.

## **REGISTERED OFFICE**

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

## **REGISTRARS**

M/s. Intime Spectrum Registry Limited  
1/17, Prince Gulam Mohammed Road  
Kolkata - 700 026  
Phone : (033) 2464-7895  
Fax : (033) 2464-5145

## **WORKS**

100% EOU Spinning Unit  
Urla Growth Centre  
Raipur, Chattisgarh

## **SILK DIVISION**

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



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**NOTICE :**

Notice is hereby given that the 16th Annual General Meeting of the Members of UNIWORTH LIMITED will be held at Science City, Mini Auditorium, JBS Haldane Avenue, Kolkata – 700 046 on Monday, the 20th day of September, 2004 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, 2004 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. A. P. Lohia, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. K. Jhunjhunwala, 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. C. Majumder, 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 :**

**RESOLVED THAT** Mr. Sunil Kumar Jain, 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



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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 : 23rd June, 2004**

**By Order of the Board**

**P. P. Chowdhury**

**Company Secretary**

**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 13th September, 2004 to 20th September, 2004 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 2003-2004.
- g) The unclaimed Dividend that are due for transfer to the Central Government are as follows :-

<b>DIVIDEND</b>	<b>FINANCIAL YEAR</b>	<b>DUE FOR TRANSFER ON</b>
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**



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**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. C. Majumder, who was appointed as an Additional Director of the Company w.e.f. 01.05.2004 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. C. Majumder 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. C. Majumder is concerned and/or interested in the aforesaid resolution.

**Item No. 6**

Mr. Sunil Kumar Jain, who was appointed as an Additional Director of the Company w.e.f. 01.05.2004 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. Sunil Kumar Jain as a Director of the Company, liable to retire by rotation.

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

**Registered Office :**

'UNI WORTH CENTRE'  
70A, Shakespeare Sarani  
Kolkata - 700 017  
Date : 23rd June, 2004

By Order of the Board

P. P. Chowdhury  
Company Secretary



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### **DIRECTORS' REPORT TO THE MEMBERS :**

Your Directors have pleasure in presenting the 16th Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2004

### **FINANCIAL HIGHLIGHTS :**

	<b>31st March 2004</b>	<b>31st March 2003</b>
	<b>(Rs. In Lacs)</b>	<b>(Rs. In Lacs)</b>
Total Income	6045.60	13340.02
Profit/(Loss) before Interest and Depreciation Before prior period adjustment	(528.22)	2464.04
Previous year adjustments	(250.63)	(40.36)
Profit / (Loss) before Interest and Depreciation	(778.85)	2423.68
Less: Interest for the year	4127.21	4054.56
Profit / (Loss) before Depreciation	(4906.06)	(1630.88)
Less: Depreciation	1037.94	1037.25
Profit /(Loss) before Tax	(5944.00)	(2668.13)
Less: Provision for taxation		
Profit / (Loss) after Tax for the year	(5944.00)	(2668.13)
Add: Extra Ordinary Item (Net)		(12972.29)
	(5944.00)	(15640.42)
Add: Balance b/f from the Previous year	(38837.21)	(23246.79)
Profit/(Loss) carried to Balance Sheet	(44831.21)	(38837.21)

### **OPERATION, MANAGEMENT DISCUSSION AND ANALYSIS :**

The performance of the Company during the year under review has been affected by sluggish demand of woollen and woolen blended yarn in the international market and rise in wool prices owing to steep decline in production of raw wool due to severe drought in Australia. To utilize the plant capacity, the Company shifted its production line to low value Acrylic yarn and created its domestic market. The overall profitability was reduced as compared to last year mainly because of low contribution in terms of both export and domestic market. The management has decided to optimize the plant capacities by balancing the equipments and updating the dyeing capacity.

The overall operational performance of the Silk Division was satisfactory in terms of production and contribution.

### **PROCESS OF RESTRUCTURING :**

As reported last year the Company has made adequate provision for investments in Equity Shares of Companies referred to BIFR under the mandatory provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. However, the management considers it unnecessary to make provision for other Long-term Investments, Loans and Advances and Debts in such Companies as the Companies though referred to BIFR are running as a going concern, and all trade related transactions are carried out as normal business transactions and are expected to continue in the foreseeable future. All outstanding Bills are crystallized and the Company is expected to obtain the approval of Appropriate Authority for adjustment against import dues. Therefore, provision for loss on Exchange fluctuation was not considered necessary.



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During the year some of the lenders have transferred and assigned the Debts of the Company to Asset Reconstruction Company (India) Limited (ARCIL) and certain other lenders are in the process of transferring their debts under the Securitisation & Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002. Once the process of assignment is complete, the Company's total Debts will be taken over by ARCIL in appropriate manner.

#### **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 Clause 49 of 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' Report have been dealt with in the Notes to Profit & Loss Account and the Balance Sheet in Schedule 22 of the Accounts, and being self-explanatory, do not call for any further clarifications.

#### **DIRECTORS :**

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

During the year 2003-2004, Mr. Sameer Phutane was nominated by ICICI Bank w.e.f. 06.11.2003 as a Member of the Board and his nomination was subsequently withdrawn by ICICI Bank w.e.f. 16.04.2004.

Since the last Annual General Meeting, Mr. S. C. Majumder and Mr. Sunil Kumar Jain have been appointed as Additional Directors of the Company w.e.f. 01.05.2004. Appropriate Resolutions seeking your approval for their appointments are appearing in the Notice convening the Annual General Meeting.



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**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 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 Government, Financial Institutions, Banks, Shareholders and others during the year under review.

On Behalf of the Board

Place : Kolkata

Date : 23rd June , 2004

K. Jhunjhunwala  
Executive Director

S. C. Majumder  
Director




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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, 1998**
**'FORM A'**

Form for Disclosure of particulars with respect to Consumption of Energy.

**ENERGY CONSERVATION :**
**A) POWER AND FUEL CONSUMPTION**

	<u>2003-2004</u>	<u>2002-2003</u>
I. Electricity		
a) Purchase Unit (KWH in lacs)	327.93	25.86
Total Amount (Rs. In lacs)	918.56	102.64
Rate/KWH (In lacs)	2.80	3.97
b) Own Generation,		
Through Generator/Units (KWH in lacs)	3.51	300.56
Units/Ltr.	3.76	3.94
Cost/Unit (Rs./ Unit)	2.77	2.87
II. Coal		
Quantity (tones)	949.85	833.47
Total Cost (Rs. In Lacs)	23.90	21.45
Average rate per tonne (In Rs.)	2516.65	2573.58
III. Furnace Oil		
Quantity (K. Ltr.)	1004.61	7634.91
Total Amount (Rs. In Lacs)	103.96	792.85
Average rate per Ltr. (In Rs.)	10.35	10.38

**B) CONSUMPTION PER UNIT PRODUCTION**

Production (Kg. In lacs)		
Worsted Yarn	27.19	35.20
Silk Spun Yarn	0.99	0.82
Open End Yarn	0.44	0.47
Noil Yarn	0.73	0.67
Electricity per Kg. (Units)		
Worsted Yarn	9.51	7.75
Silk Spun Yarn	33.67	31.11
Open End Yarn	6.32	4.85
Noil Yarn	3.56	3.73
HSD (Ltrs. In thousand)	0	0.18



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### 'FORM B'

Form for Disclosure of particulars with respect to Technology Absorption

#### RESEARCH & DEVELOPMENT (R & D)

1. Specified 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.
  - ☞ Due to inhouse Research and development activities following products were developed and launched during the year.
    - i) 100% Acrylic yarn for blended and hosiery sector. During short period, at present we are market leader in blended yarn market.
    - ii) Acrylic blended with Wool, Nylon and Polyester.
    - iii) Siro and Siro lycra yarn in wool and polywool.
    - iv) Polyester/Viscose in Ecu and Dyed.
    - v) Blending of silk with Wool, Nylon and Viscose.
    - vi) Acrylic Daffodil yarn quality was launched and now we are market leader in this yarn quality.
  - ☞ Research & Development lab and pilot plant in Dyeing Department started developing all kinds of shades.
  - ☞ Incorporated computerized colour matching system in Dyeing Department for mix and match regularly.
2. Benefit derived as a result of the above R & D :
  - ☞ Transition from ISO-9002 to ISO-9001:2000 have been done this year.
3. Future plan of action :
  - ☞ Strengthening the research on quality improvement.
  - ☞ To achieve total quality management cost reduction.
4. Expenditure on R & D
  - a) Capital : NIL
  - b) Recurring : Expenses incurred are charged to respective heads and are not allocated separately.