



**UNIWORTH
TEXTILES
LIMITED**

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**ANNUAL
REPORT
2003 - 2004**



UNIWORTH
TEXTILES
LIMITED

BOARD OF DIRECTORS

(As on 23.06.2004)

RAKESH KUMAR KALIA – Managing Director
ASHOK KUMAR
KRISHNAMURTHI SRINIVASAN
S. SRINIVAS – IFCI Nominee
PARTHO PAL CHOWDHURY
TANMOY CHOWDHURY

AUDIT COMMITTEE

(As on 23.06.2004)

KRISHNAMURTHI SRINIVASAN
PARTHO PAL CHOWDHURY
TANMOY CHOWDHURY
RAKESH KUMAR KALIA

REGISTERED OFFICE

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

COMPANY SECRETARY

SUBID CHANDRA MAJUMDER

REGISTRARS

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

AUDITORS

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

WORKS

100% EOU Weaving Unit
Urla Growth Centre
Raipur, Chattisgarh

100% EOU Finishing Unit
MIDC, Butibori
Nagpur, Maharashtra

BANKERS

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



UNI WORTH
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NOTICE :

Notice is hereby given that the 12th 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 Monday, the 20th day of September, 2004 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, 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. Ashok Kumar, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. K. Srinivasan, 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. Tanmoy Chowdhury, 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.

Registered Office :

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

By Order of the Board

S. C. Majumder
Company Secretary



**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 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 upto 2003-2004.

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. Tanmoy Chowdhury, who was appointed as an Additional Director of the Company with effect from 1st January, 2004 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. Tanmoy 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. Tanmoy Chowdhury 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

S. C. Majumder
Company Secretary



**UNIWORTH
TEXTILES
LIMITED**

DIRECTORS' REPORT TO THE MEMBERS :

Your Directors have pleasure in presenting the 12th Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2004

FINANCIAL HIGHLIGHTS :

	31st March 2004	31st March 2003
	(Rs. In Lacs)	(Rs. In Lacs)
Sales	4906.13	4460.27
Profit/(Loss) before Interest and Depreciation	(55.55)	500.09
Less : Interest	968.11	966.16
Profit / (Loss) before Depreciation	(1023.66)	(466.07)
Less : Depreciation	399.34	403.94
Profit / (Loss) for the year	(1423.00)	(870.02)
Less : Extra Ordinary items	—	(1706.44)
Net Profit /(Loss)	(1423.00)	(2576.46)
Add : Balance Brought Forward from the Previous year	(6537.35)	(3960.89)
Balance carried to Balance Sheet	(7960.35)	(6537.35)

OPERATIONS, MANAGEMENT DISCUSSION AND ANALYSIS :

During the year under review the Company has suffered losses though there was marginal improvement in Sales. It was mainly due to Exchange Fluctuations. Prices of Raw Materials also increased during the year without corresponding increase in Selling Prices. On the other hand Export Realizations were reduced due to decrease in foreign currency rates against Rupee. The Company has maintained its productivity during the year at a reasonable level due to stable long term marketing policies and stricter cost controls.

In addition certain unavoidable provisions had to be made in respect of Inventories so as to reflect a reasonable realisable value. This added further to the losses inspite of increased Turnover.

However, as reported last year, 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 Provisions) Act, 1985 which are still pending with the Board.

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.



**UNI WORTH
TEXTILES
LIMITED**

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

Mr. Anjan Deb was appointed as an Additional Director w.e.f. 01.06.2003 and he has subsequently resigned from the Board w.e.f. 28.11.2003. Nomination of Mr. C. P. Padmanabhan as Nominee Director was withdrawn by IFCI Ltd. w.e.f. 27.11.2003. Mr. Sameer Phutane was nominated by ICICI Bank as a member of the Board w.e.f. 30.01.2004 and his nomination was subsequently withdrawn by ICICI Bank w.e.f. 16.04.2004. Mr. S. Khandelwal has resigned from the Board w.e.f. 30.04.2004.

Your Directors place on record their appreciation for the valuable services rendered by them.

Since the last Annual General Meeting, Mr. Tanmoy Chowdhury has been appointed as Additional Director w.e.f. 01.01. 2004. Appropriate Resolution seeking your approval for his appointment is appearing in the Notice convening the Annual General Meeting.

Mr. S. Srinivas has been nominated by IFCI Ltd. as a Member of the Board w.e.f. 23.06.2004.

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) (e) of the Companies Act, 1956 and the rules framed thereunder is annexed hereto and forms part of this Report.



**UNI WORTH
TEXTILES
LIMITED**

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

R. K. Kalia

Managing Director

P. P. Chowdhury

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>2003-2004</u>	<u>2002-2003</u>
Electricity		
a) Purchase Unit (KWH in lacs)	49.47	43.76
b) Total Amount (Rs. In lacs)	188.18	181.21
c) Rate/KWH (In lacs)	3.80	4.14
B) CONSUMPTION PER UNIT PRODUCTION		
Production (Units in Linear Mts. In lacs)		
Pure Wool Fabrics	14.08	14.26
Polywool	8.83	8.45
Others	0.52	1.17
Electricity per Linear Mts. (Units)		
Pure Wool Fabrics	2.11	1.83
Polywool	2.11	1.83
Others	2.11	1.83



UNI WORTH
TEXTILES
LIMITED

'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
 - ⇒ Development of SIRO Spun Fabrics in All Wool Top dyed in super fine counts.
 - ⇒ Development of Stretch fabric in Top Dyed using Lycra blended wool and polyester wool yarn in super fine counts.
 - ⇒ Development of Super fine fabric with natural stretch.
 - ⇒ Development of Super fine suiting using very fine counts wool yarn.
 - ⇒ Development of Silk & Linen blended suitings.
2. Benefit derived as a result of the above R & D
 - ⇒ Most of these development are successful and accepted in International Market.
 - ⇒ We continue to occupy the status of high quality Fabric manufacturers.
3. Future plan of action
 - ⇒ Introduction of Silk blended super fine fabric further.
 - ⇒ Confirmation of development made in item No. 1.

	2003-2004 (Rs.)	2002-2003 (Rs.)
4. Expenditure on R & D		
a) Capital	NIL	49311
b) Recurring	874364	508127

TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION :

1. Efforts in brief made towards technology absorption, adaptation and innovation
 - ⇒ We have updated our technical know how and from various technical experts/ consultants from Europe who often visit our plants regularly.



UNI WORTH
TEXTILES
LIMITED

2. Benefit derived as a result of the above efforts e.g., products improvement, cost, reduction, product development, import substitution etc.
- ☞ Our technical staff have visited various textile plants in UK and met textile designers at New York for exchange of view and expertise for upgradation of our product ranges.
 - ☞ Achieved value added products.
 - ☞ Training programmes are conducted to the employees of all levels with the help of latest scientific techniques.
 - ☞ Both the plant of the Company in Raipur as well as in Nagpur are continuing with ISO 9000 certification and have updated with ISO 9001-2000 certification.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

	2003-2004 (Rs. In Lacs)	2002-2003 (Rs. In Lacs)
a) Foreign Exchange Earnings	4062.28	3920.27
b) Foreign Exchange Outgo		
i) CIF Value of Imports		
Raw Material	2224.91	2120.95
Capital Goods	19.76	0.49
Components & Spare Parts	135.30	89.34
ii) Others	40.24	1725.23



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TEXTILES
LIMITED

REPORT ON CORPORATE GOVERNANCE :

(Pursuant to Clause 49 of the Listing Agreement)

1. Company's Philosophy on Corporate Governance :

Your Company believes that the Corporate Governance is the combination of voluntary practices and compliance with laws and regulations of the Company leading to effective control and management of the Company. Good Corporate Governance leads to long term shareholder value and enhances interest of other stake holders like employees and other connected with the organization.

2. Board of Directors :

Your Board presently consists of a majority of Non-Executive and Independent Directors, many of whom are acknowledged as leading professionals in their respective fields. The Board presently comprises of 1 (one) Managing Director and 5 (Five) Non-Executive and Independent Directors including 1 (one) Nominee Director of IFCI Ltd.

The constitution of Board as it was during the Year 2003-2004 is given below :

Name of Directors	Executive/Non-Executive/ Independent*	No. Of other Directorships**	Committee(s)	
			Other Member	Chairman
Mr. Ashok Kumar	Non-Executive & Independent	5	—	—
Mr. C. P. Padmanabhan (upto 27.11.2003)	Non-Executive & Nominee of IFCI Ltd.	1	1	—
Mr. K. Srinivasan	Non-Executive & Independent	1	1	—
Mr. S. Khandelwal	Non-Executive & Independent	—	—	—
Mr. R. K. Kalra	Managing Director	—	—	—
Mr. P. P. Chowdhury (from 01.06.2003)	Non-Executive & Independent	1	1	—
Mr. Anjan Deb (from 01.06.2003 to 28.11.2003)	Non-Executive & Independent	—	—	—
Mr. Sameer Phutane (from 30.01.2004)	Non-Executive & Nominee of ICICI Bank	5	—	—
Mr. Tanmoy Chowdhury (from 01.01.2004)	Non-Executive & Independent	—	—	—

* An Independent Director is a director who apart from receiving Director's Remuneration (Sitting Fees) does not have any material pecuniary relationship or transactions with the Company or its management, which in the judgment of the Board may affect his independence of judgment.

** Excludes directorships held in Private Limited Companies.

a) Attendance of Directors at Board Meetings and Annual General Meeting :

The Board of the Company met six times during the year 2003-2004 on the following dates :
30.04.2003, 30.06.2003, 31.07.2003, 04.09.2003, 29.10.2003 and 30.01.2004

The Company placed before the Board the annual Operating Plans, Budgets, Performance of various units and various other information including those specified under Annexure -1 of the Listing Agreement, from time to time.