



**UNI WORTH  
TEXTILES  
LIMITED**

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**ANNUAL  
REPORT  
2004 - 2005**



UNI WORTH  
TEXTILES  
LIMITED



## BOARD OF DIRECTORS

(As on 28.06.2005)

RAKESH KUMAR KALIA – Managing Director

ASHOK KUMAR

KRISHNAMURTHI SRINIVASAN

S. SRINIVAS – IFCI Nominee

PARTHO PAL CHOWDHURY

TANMOY CHAUDHURI

## AUDIT COMMITTEE

(As on 28.06.2005)

KRISHNAMURTHI SRINIVASAN

PARTHO PAL CHOWDHURY

TANMOY CHAUDHURI

## REGISTERED OFFICE

'UNI WORTH CENTRE'

70A, Shakespeare Sarani

Kolkata - 700 017

Phone : (033) 2240-8885

Fax : (033) 2240-8301

## COMPANY SECRETARY

SUBID CHANDRA MAJUMDER

## AUDITORS

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

## REGISTRARS

M/s Intime Spectrum Registry Limited

59C, Chowringhee Road, 3rd Floor

Kolkata - 700 020

Phone : (033) 2289-0540

Fax : (033) 2289-0539

## BANKERS

CENTURION BANK LTD.

THE HONGKONG & SANGHAI -  
BANKING CORPORATION LTD.

INDUSIND BANK LTD.

PUNJAB & SIND BANK

STATE BANK OF INDIA

## WORKS

100% EOU Weaving Unit

Urla Growth Centre

Raipur, Chattisgarh

100% EOU Finishing Unit

MIDC, Butibori

Nagpur, Maharashtra



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**NOTICE :**

Notice is hereby given that the 13th 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 Thursday, the 29th day of September, 2005 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, 2005 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. R. K. Kalia, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. P. P. Chowdhury, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

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Registered Office :

'UNI WORTH CENTRE'

70A Shakespeare Sarani

Kolkata - 700 017

Date: 28th June, 2005

By Order of the Board

S. C. Majumder  
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 22nd September, 2005 to 29th September, 2005, both days inclusive.
- c) Intimation of any change of address should be given to the Registrar & Transfer Agent/ Company immediately.
- d) Members/Proxies should bring the attendance slip duly filled in for attending the Meeting.
- e) Listing fees have been paid to Calcutta Stock Exchange upto 2004-2005

MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT TO THE MEETING



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

Your Directors have pleasure in presenting the 13th Annual Report together with Audited Statement of Accounts for the year ended 31st March , 2005

## **FINANCIAL HIGHLIGHTS :**

	<b>31st March 2005</b>	<b>31st March 2004</b>
	<b>(Rs. In Lacs)</b>	<b>(Rs. In Lacs)</b>
Sales	<b>6724.90</b>	<b>4906.13</b>
Profit/(Loss) before Interest and Depreciation	<b>150.22</b>	<b>(55.55)</b>
Less : Interest	<b>989.75</b>	<b>968.11</b>
Profit / (Loss) before Depreciation	<b>(839.53)</b>	<b>(1023.66)</b>
Less : Depreciation	<b>432.43</b>	<b>399.34</b>
Profit / (Loss) for the year	<b>(1271.96)</b>	<b>(1423.00)</b>
Net Profit /(Loss)	<b>(1271.96)</b>	<b>(1423.00)</b>
Add : Balance Brought Forward from the Previous year	<b>(7960.35)</b>	<b>(6537.35)</b>
Balance carried to Balance Sheet	<b>(9232.31)</b>	<b>(7960.35)</b>

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

The Company's performance during the year under review was a major improvement in comparison to previous year. Turnover increased by 35% due to all round increase in production and improved capacity utilization. Profits before interest and depreciation has improved marginally to Rs. 150.22 Lacs as against a loss of Rs. 55.55 Lacs in the previous year. But overall profitability could not be increased further because of steep rise in the prices of raw materials without corresponding or matching increase in the selling prices due to stiff competition from China in every part of the world.

The policy of planning production operations strictly against orders received from each segment of the market, together with stringent cost control measures in all spheres of operations resulted in lower working capital requirements with lower inventories and reduced production costs.

As reported in the previous years' Reports, the Net Worth of the Company being fully eroded, references are being duly made to the BIFR every year under the provisions of the Sick Industrial Company (Special Provision) 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 :

- That in the preparation of accounts, applicable accounting standards have been followed.



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- 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. R. K. Kalia and Mr. P. P. Chowdhury retires by rotation at the ensuing Annual General meeting and, being eligible, offer themselves for re-appointment.

#### **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.

#### **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 : 28th June , 2005

R. K. Kalia  
Managing Director

P. P. Chowdhury  
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 :**

<b>A) POWER AND FUEL CONSUMPTION</b>	<b>2004-2005</b>	<b>2003-2004</b>
<b>I. Electricity</b>		
a) Purchase Unit (KWH in lacs)	<b>60.46</b>	<b>49.47</b>
b) Total Amount (Rs. In lacs)	<b>246.90</b>	<b>188.18</b>
c) Rate/KWH (In lacs)	<b>4.08</b>	<b>3.80</b>
<b>B) CONSUMPTION PER UNIT PRODUCTION</b>		
Production (Units in Linear Mts. In lacs)		
Pure Wool Fabrics	<b>17.67</b>	<b>14.08</b>
Polywool	<b>10.96</b>	<b>8.83</b>
Others	<b>0.10</b>	<b>0.52</b>
Electricity per Linear Mts. (Units)		
Pure Wool Fabrics	<b>2.10</b>	<b>2.11</b>
Polywool	<b>2.10</b>	<b>2.11</b>
Others	<b>2.10</b>	<b>2.11</b>

#### **'FORM B'**

Form for Disclosure of particulars with respect to Technology Absorption.

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

- Specified areas in which R & D :
  - Carried out by the Company :
    - ☞ Development of Stetch Fabric in Top Dyed using Lycra blended wool and polyster wool yarn in super fine counts.
    - ☞ Development of Natural Strech in Super fine wool fabric.
    - ☞ Development of Super fine suiting using fine counts wool yarn with finer count single yarn in weft.
    - ☞ Development of Silk & Linen blended suitings.



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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 extra fine fabric in pure wool & polyester wool.  
 ☞ Confirmation of development made in item No. 1.

	<u>2004-2005</u> (Rs.)	<u>2003-2004</u> (Rs.)
4. Expenditure on R & D		
a) Capital	<b>32292</b>	NIL
b) Recurring	<b>925571</b>	874364

#### TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION :

1. Efforts in brief made towards technology absorption, adaptation and innovation :   
 ☞ We have updated our technical know how with Latest technologies.  
 ☞ Our technical staff have visited various textile plants in Europe and visited Textile trade fair in France for exchange of view and expertise for upgradation of our product ranges.
2. Benefit derived as a result of the above efforts e.g., products improvement, cost, reduction, product development, import substitution etc. :   
 ☞ Achieved value added products.  
 ☞ Training programmes are conducted to the employees of all levels with the help of latest techniques.  
 ☞ Both the plant of the Company in Raipur as well as in Nagpur are continuing with ISO 9001-2000 certification.

#### FOREIGN EXCHANGE EARNINGS AND OUTGO :

	<u>2004-2005</u> (Rs. In Lacs)	<u>2003-2004</u> (Rs. In Lacs)
a) Foreign Exchange Earnings	<b>6295.98</b>	4062.28
b) Foreign Exchange Outgo		
i) CIF Value of Imports		
Raw Material	<b>2220.23</b>	2224.91
Capital Goods	<b>21.05</b>	19.76
Components & Spare Parts	<b>140.21</b>	135.30
ii) Others	<b>114.77</b>	40.24



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## **REPORT ON CORPORATE GOVERNANCE :**

(Pursuant to Clause 49 of the Listing Agreement)

### **1. Company's Philosophy on Corporate Governance :**

Your Company believes that 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 all 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 Nominee Director of IFCI Ltd.

The constitution of Board as it was during the Year 2004-2005 is given below :-

Name of Directors	Executive/Non-Executive/ Independent*	No. Of other Directorships**	Other Committee(s)	
			Member	Chairman
Mr. Ashok Kumar	Non- Executive & Independent	5	-	-
Mr. K. Srinivasan	Non- Executive & Independent	2	3	-
Mr. S. Khandelwal (Upto 30.04.2004)	Non- Executive & Independent	-	-	-
Mr. R. K. Kalra	Managing Director	-	-	-
Mr. P. P. Chowdhury	Non- Executive & Independent	1	3	-
Mr. Sameer Phutane (Upto 16.04.2004)	Non- Executive & Nominee of ICICI Bank	5	-	-
Mr. Tanmoy Chaudhuri	Non- Executive & Independent	-	-	-
Mr. S. Srinivas (From 23.06.2004)	Non- Executive & Nominee of IFCI Ltd.	-	-	-

\* 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 five times during the year 2004-2005 on the following dates : **30.04.2004, 23.06.2004, 31.07.2004, 30.10.2004 and 31.01.2005**

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.





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The attendance at the Board Meetings and Annual General Meeting during the year 2004-2005 were as under :

Name of Directors	Attendance	
	Board Meeting	Last AGM
Mr. Ashok Kumar	1	No
Mr. K. Srinivasan	4	No
Mr. S. Khandelwal (Upto 30.04.2004)	-	N.A.
Mr. R. K. Kalia	1	No
Mr. P. P. Chowdhury	4	Yes
Mr. Sameer Phutane (Upto 16.04.2004)	-	N.A.
Mr. Tanmoy Chaudhuri	2	Yes
Mr. S. Srinivas (From 23.06.2004)	3	No

\* Members present at the meeting elect one of themselves as Chairman of the Meeting.

**b) Remuneration of Directors :**

Details of remuneration paid / payable to directors for the year ended 31st March, 2005 are as follows :

(Amount in Rs.)

Name of Directors	Sitting Fees*	Salary & Perquisites	Commission	Total
Mr. Ashok Kumar	2000	-	-	2000
Mr. K. Srinivasan	16000	-	-	16000
Mr. S. Khandelwal (Upto 30.04.2004)	-	-	-	-
Mr. R. K. Kalia	-	1727472	-	1727472
Mr. P. P. Chowdhury	18000	-	-	18000
Mr. Sameer Phutane (Upto 16.04.2004)	-	-	-	-
Mr. Tanmoy Chaudhuri	8000	-	-	8000
Mr. S. Srinivas (From 23.06.2004)	6000	-	-	6000

\* Includes fees for Committee Meetings.

**3. Audit Committee :**

The Terms of Reference of this Committee cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

During the year 2004-2005, 5 (five) meetings of the Audit Committee were held on the following dates : 30.04.2004, 23.06.2004, 31.07.2004, 30.10.2004 and 31.01.2005



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The constitution of the Committee and the attendance of each member of the Committee during the year 2004-2005 are given below :-

Name	Designation*	Executive/Non-Executive/Independent	Profession	Committee Meetings Attended
Mr. K. Srinivasan	Member	Non-Executive & Independent	Professional	4
Mr. S. Khandelwal (upto 30.04.2004)	Member	Non-Executive & Independent	Service	-
Mr. R. K. Kalia (from 31.01.2005 )	Member	Managing Director	Service	1
Mr. P. P. Chowdhury	Member	Non-Executive & Independent	Service	5
Mr. Tanmoy Chaudhuri	Member	Non-Executive & Independent	Professional	2

\* Members present at the meeting elect one of themselves as Chairman of the Meeting.

#### 4. Remuneration Committee :

The Remuneration Committee was re-constituted from time to time during the year with a view to reviewing and making recommendations on annual salaries, performance, commissions, perquisite and other employment conditions of Managing/Whole time Directors and other Executives and Officials. The Committee also takes into consideration remuneration practices followed by leading companies as well as information provided by reputed consultants while determining the overall remuneration package.

The following are the members of the Committee at present :-

Name	Designation*	Executive/Non-Executive/Independent
Mr. K Srinivasan	Member	Non-Executive & Independent
Mr. P. P. Chowdhury	Member	Non-Executive & Independent
Mr. Tanmoy Chaudhuri	Member	Non-Executive & Independent

\* Members present at the meeting elect one of themselves as Chairman of the Meeting.

#### 5. Share Transfer cum Investors Grievance Committee :

The Board has re-constituted from time to time the "Share Transfer cum Investors Grievance Committee", which looks into Shareholders & Investors' grievances and Share transfers. Mr. S. C. Majumder, Company Secretary is the Compliance Officer of the Company. The following are the members of the Committee at present :-

Name	Designation*	Executive/Non-Executive/Independent
Mr. K Srinivasan	Member	Non-Executive & Independent
Mr. P. P. Chowdhury	Member	Non-Executive & Independent
Mr. Tanmoy Chaudhuri	Member	Non-Executive & Independent

\* Members present at the meeting elect one of themselves as Chairman of the Meeting.