



**UNIWORTH
TEXTILES
LIMITED**

Report  junction.com

**A N N U A L
R E P O R T
2006-2007**



**UNI WORTH
TEXTILES
LIMITED**

BOARD OF DIRECTORS

(As on 30.06.2007)

OM PRAKASH SHARMA
KRISHNAMURTHI SRINIVASAN
PARTHO PAL CHOWDHURY
AMIT CHAUDHURY
NIRMAL KUMAR GARG

Executive Director

AUDIT COMMITTEE

(As on 30.06.2007)

KRISHNAMURTHI SRINIVASAN
PARTHO PAL CHOWDHURY
AMIT CHAUDHURY
NIRMAL KUMAR GARG

COMPANY SECRETARY

SUBID CHANDRA MAJUMDER

REGISTERED OFFICE

'UNI WORTH CENTRE'
70A, Shakespeare Sarani
Kolkata - 700 017
Phone : (033) 4000-3100
Fax : (033) 2290-8301

AUDITORS

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

REGISTRARS

M/s. C.B. Management Services (P) Limited
P-22, Bondel Road, Kolkata - 700 019
Phone : (033) 2280 - 6692 / 93 /94
Fax : (033) 2287-0263

BANKERS

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

WORKS

100% EOU Weaving Unit
Ural Growth Centre
Raipur, Chattisgarh

100% EOU Finishing Unit
MIDC, Butibori
Nagpur, Maharastra



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NOTICE :

Notice is hereby given that the 15th Annual General Meeting of the Members of UNI WORTH TEXTILES LIMITED will be held at Science City, Seminar Hall (C V Raman Hall), JBS Haldane Avenue, Kolkata -700 046 on Thursday, the 27th day of September, 2007 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, 2007 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. Srinivasan, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

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

As Ordinary Resolution :

RESOLVED THAT Mr. Amit Chaudhury, 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 Article of Association and 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 the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

5. To consider and, if thought fit, to pass with or without modification, the following resolutions :

As Ordinary Resolution :

- (a) **RESOLVED THAT** Mr. O. P. Sharma, who was appointed as an Additional Director and subsequently as an Executive/Whole-time 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 Article of Association and 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 the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.
- (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. O. P. Sharma as an Executive/ Whole-time Director of the Company for a period of 5 years with effect from 30th June, 2007 on such remuneration and terms, as set out in the Explanatory Statement.



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

As Ordinary Resolution :

RESOLVED THAT Mr. N. K. Garg, 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 Article of Association and 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 the 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: 30th June, 2007

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 20th September, 2007 to 27th September, 2007, 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.

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. 4

Mr. Amit Chaudhury, who was appointed as an Additional Director of the Company w.e.f. 30.10.2006 in terms of Section 260 of the Companies Act, 1956 and Article 80(a) of the Article 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. Amit Chaudhury as a Director of the Company, liable to retire by rotation.

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



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Item No. 5(a)

Mr. O. P. Sharma, who was appointed as an Additional Director of the Company with effect from 30th June, 2007 in terms of Section 260 of the Companies Act, 1956 and Article 80 (a) of the Article 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. O. P. 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. O. P. Sharma is concerned and/or interested in the aforesaid resolution.

Item No. 5(b)

The Board of Directors had appointed Mr. O. P. Sharma as an Executive/Whole-time Director of the Company for a period of five years with effect from 30th June, 2007 on remuneration and terms as given below.

Mr. O. P. Sharma is a professional and has long association with the Company having wide experience of the Textiles Industries in the field of Commercial and Operations.

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

- | | | | |
|----|-------------------------|---|--|
| 1. | Salary | : | Rs. 34,150/- per month with Annual increments as per rules of the Company and based on performance. |
| 2. | Housing | : | House Rent Allowance of Rs. 11,610/- per month with increments linked to salary. |
| 3. | 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 for a period of three years. |
| 4. | 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 per year. |
| 5. | Other Terms | : | As per rules of the Company. |

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

Item No. 6

Mr. N. K. Garg, who was appointed as an Additional Director of the Company w.e.f. 30.06.2007 in terms of Section 260 of the Companies Act, 1956 and Article 80(a) of the Article 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. N. K. Garg as a Director of the Company, liable to retire by rotation.

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

Registered Office :

'UNI WORTH CENTRE'
70A, Shakespeare Sarani
Kolkata - 700 017
Date: 30th June, 2007

By Order of the Board

S. C. Majumder
Company Secretary



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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, 2007

FINANCIAL HIGHLIGHTS:

	31st March 2007 (Rs. In Lacs)	31st March 2006 (Rs. In Lacs)
Sales	6586.13	6270.23
Profit/(Loss) before Interest and Depreciation	(142.73)	(257.85)
Less: Interest	916.27	906.33
Profit / (Loss) before Depreciation	(1059.00)	(1164.18)
Less: Depreciation	440.87	421.30
Profit / (Loss) for the year	(1499.87)	(1585.48)
Less: Fringe Benefit Tax	5.33	6.40
Net Profit /(Loss)	(1505.20)	(1591.88)
Add: Balance b/f from the Previous year	(10824.19)	(9232.31)
Balance carried to Balance Sheet	(12329.39)	(10824.19)

OPERATIONS, MANAGEMENT DISCUSSION AND ANALYSIS :

During the year under review, the Company has moderately increased its turnover but has still suffered losses though significantly less in comparison to the previous year. Prices of raw materials have continued to increase without any corresponding increase in selling prices due to demand and supply position. However the company has increased its productivity through optimum utilization of resources. It is also focusing to increase its range of products and also endeavoring to expand its market overseas inspite of stiff competition from China and other countries in order to achieve even better turnover in the current year.

As stated in the previous years' Reports, the Net Worth of the Company being fully eroded, references were being duly made to the Board (BIFR) every year under the provisions of the Sick Industrial Company (Special Provision) Act, 1985. The Board for Industrial and Financial Reconstruction (BIFR) has since declared the Company as a Sick Industrial undertaking by its Order dated 05.09.2006.

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.
- 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.
- 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.
- That the Annual Accounts have been prepared on a going concern basis.



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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 a 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-21 of the Accounts, and being self-explanatory, do not call for any further clarifications.

DIRECTORS :

Mr. K. Srinivasan retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

During the year 2006-2007, Mr. Tanmay Chaudhuri resigned from the Board w.e.f. 30.10.2006. Nomination of Mr. S. Srinivas as Nominee Director was withdrawn by IFCI Ltd from the Board w.e.f. 30.10.2006. Mr. A. K. Shandilya resigned from the Board w.e.f. 15.12.2006 and Mr. Ashok Kumar resigned from the Board w.e.f. 31.01.2007. Your Directors place on record its appreciation for the valuable services rendered by them.

Since the last Annual General Meeting, Mr. Amit Chaudhuri has been appointed as an Additional Director of the Company w.e.f. 30.10.2006, Mr. O. P. Sharma has been appointed as an Additional Director and subsequently as an Executive/Whole-time Director of the Company w.e.f. 30.06.2007 and Mr. N. K. Garg has been appointed as an Additional Director of the Company w.e.f. 30.06.2007. Appropriate Resolutions seeking your approval for their appointment is appearing in the Notice convening the Annual General Meeting.

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

On Behalf of the Board

Place : Kolkata
Date : 30th June , 2007

O. P. Sharma
Executive 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 :

A) POWER AND FUEL CONSUMPTION

2006-2007

2005-2006

1. Electricity

a) Purchase Unit (KWH in lacs)	51.15	50.97
b) Total Amount (Rs. In lacs)	249.48	243.61
c) Rate/KWH (In lacs)	4.88	4.78

B) CONSUMPTION PER UNIT PRODUCTION

Production (Units in Linear Mts. In lacs)

Pure Wool Fabrics	17.08	16.76
Polywool	8.98	8.56
Others	0.00	0.01

Electricity per Linear Mts. (Units)

Pure Wool Fabrics	1.96	2.01
Polywool	1.96	2.01
Others	1.96	2.01

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 finer counts Fabric with Siro spun yarn for cost reduction.
 - ⇒ Development of Mechanical Stretch Fabric in Superfine wool fabric.
 - ⇒ Development of various finishes on Fabric such as water, oil & stain Repellent Finish, Ice touch Finish, Nano finish etc.
2. Benefit derived as a result of the above R & D :
 - ⇒ The developments are successful and accepted in international market.
 - ⇒ We continue to occupy the status of High quality Fabric manufacturers.



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3. Future plan of action

: ⇒ We continue to occupy the status of High quality Fabrics manufactures.

	2006-2007 (Rs.)	2005-2006 (Rs.)
4. Expenditure on R & D		
a) Capital	260000	-
b) Recurring	962738	1038917

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 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 at all levels with the help of latest techniques.
⇒ Both the plants of the company in Raipur as well as Nagpur are continuing with ISO 9001-2000 certification.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

	2006-2007 (Rs. In Lacs)	2005-2006 (Rs. In Lacs)
a) Foreign Exchange Earnings	6356.15	5595.93
b) Foreign Exchange Outgo		
i) CIF Value of Imports		
Raw Material	33.21	2257.27
Capital Goods	10.30	-
Components & Spare Parts	103.52	127.23
ii) Others	71.85	130.33



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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 Companies Act, 1956, leading to effective control and management of the Company. Good Corporate Governance leads to long term shareholders value and enhances interest of other stakeholders including the employees and all others 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) Executive/Whole-time Director and 4 (four) Non-Executive and Independent Directors.

The constitution of Board as it was during the Year 2006-2007 is given below :

Name of Directors	Executive/Non Executive/ Independent *	No. Of other Directorships **	Other Committee(s)	
			Member	Chairman
Mr. Ashok Kumar (Upto 31.01.2007)	Non-Executive & Independent	4	-	-
Mr. K. Srinivasan	Non-Executive & Independent	2	3	-
Mr. P. P. Chowdhury	Non-Executive & Independent	2	3	-
Mr. Tanmoy Chaudhuri (Upto 30.10.2006)	Non-Executive & Independent	-	-	-
Mr. S. Srinivas (Upto 30.10.2006)	Non-Executive & Nominee of IFCI Ltd.	-	-	-
Mr. A. K. Shandilya (From 28.04.2006 to 15.12.2006)	Managing Director	-	-	-
Mr. Amit Chaudhury (From 30.10.2006)	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 Directors of the Company met six times during the year 2006-2007 on the following dates: **28.04.2006, 30.06.2006, 31.07.2006, 30.10.2006, 07.12.2006 and 31.01.2007.**

The Company regularly placed before the Board Internal Audit Reports, Financial Results with Provisional Balance Sheets, Performance Review Report of various Units together with Executive Summary, Current Workings and all Current matters of commercial importance and various other information as generally required under the Listing Agreement from time to time.