



**UNI WORTH
TEXTILES
LIMITED**



**ANNUAL
REPORT
2007 - 2008**



**UNI WORTH
TEXTILES
LIMITED**

BOARD OF DIRECTORS

(As on 30.06.2008)

SUDEEP MALIK

— *Executive Director*

PARTHO PAL CHOWDHURY

NIRMAL KUMAR GARG

N. D. KHORANA

AUDIT COMMITTEE

(As on 30.06.2008)

PARTHO PAL CHOWDHURY

NIRMAL KUMAR GARG

SUDEEP MALIK

N. D. KHORANA

REGISTERED OFFICE

'UNI WORTH CENTRE'

70A, Shakespeare Sarani

Kolkata - 700 017

Phone : (033) 4000 3100

Fax : (033) 2290-8301

COMPANY SECRETARY

SUBID CHANDRA MAJUMDER

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

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 16th 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 Tuesday, the 30th day of September, 2008 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, 2008 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. P. P. Chowdhury, 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 resolutions :

As Ordinary Resolution :

- (a) **RESOLVED THAT** Mr. Sudeep Malik, 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. Sudeep Malik as an Executive/Whole-time Director of the Company for a period of 5 years with effect from 1st October, 2007 on such remuneration and terms, as set out in the Explanatory Statement.

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

As Ordinary Resolution :

RESOLVED THAT Mr. N. D. Khorana, 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 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 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, 2008

By Order of the Board

S. C. Majumder
Company Secretary



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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 23rd September, 2008 to 30th September, 2008, 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.

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(a)

Mr. Sudeep Malik, who was appointed as an Additional Director of the Company with effect from 1st October, 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. Sudeep Malik as a Director of the Company, liable to retire by rotation.

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

Item No. 4(b)

The Board of Directors had appointed Mr. Sudeep Malik as an Executive/Whole-time Director of the Company for a period of five years with effect from 1st October, 2007 on remuneration and terms as given below.

Mr. Sudeep Malik is a professional having wide experience of the Textiles Industries in the field of Commercial and Operations.



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

1. Salary : Rs. -45,000/- per month with Annual increments as per rules of the Company and based on performance.
2. Housing : House Rent Allowance of Rs. 15,750/- 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. Sudeep Malik is concerned and/or interested in the aforesaid resolution.

Item No. 5

Mr. N. D. Khorana, who was appointed as an Additional Director of the Company w.e.f. 31.01.2008 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. D. Khorana 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. D. Khorana is concerned and/or interested in the aforesaid resolution.

Registered Office :
'UNI WORTH CENTRE'
70A Shakespeare Sarani
Kolkata – 700 017
Date : 30th June, 2008

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 16th Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2008.

FINANCIAL HIGHLIGHTS :

	31st March 2008 (Rs. In Lacs)	31st March 2007 (Rs. In Lacs)
Sales	5318.11	6586.13
Profit/(Loss) before Interest and Depreciation	(428.22)	(142.73)
Less: Interest	910.21	916.27
Profit / (Loss) before Depreciation	(1338.43)	(1059.00)
Less: Depreciation	312.23	440.87
Profit / (Loss) for the year	(1650.66)	(1499.87)
Less : Fringe Benefit Tax	4.67	5.33
Net Profit /(Loss)	(1655.33)	(1505.20)
Add: Balance b/f from the Previous year	(12329.39)	(10824.19)
Balance carried to Balance Sheet	(13984.73)	(12329.39)

OPERATIONS, MANAGEMENT DISCUSSION AND ANALYSIS :

During the year under review, the Company suffered losses due to very high increase in raw material prices, which continued its upward trend, coupled with recession in the economy of countries like USA, and Europe. Stiff competition was also faced from China which continued to dump fabrics worldwide cheaply, which deeply affected the export activities of the Company. However, the Company has taken vigorous measures to increase sales in the Domestic Market and also boost exports to Australia and the Middle East by focussing on high value products with better margins and profitability. As a result we foresee better turnover and profitability 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 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' 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. P. P. Chowdhury retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

During the year 2007-2008, Mr. O. P. Sharma resigned from the Board w.e.f. 31.10.2007 and Mr. Amit Chaudhury resigned from the Board w.e.f. 07.01.2008. Your Directors place on record its appreciation for the valuable services rendered by them.

Since the last Annual General Meeting, Mr. Sudeep Malik has been appointed as an Additional Director and subsequently as an Executive/Whole-time Director of the Company w.e.f. 01.10.2007 and Mr. N. D. Khorana has been appointed as an Additional Director of the Company w.e.f. 31.01.2008, 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 Government, Financial Institutions, Banks, Shareholders and others during the year under review.

On Behalf of the Board

Place : Kolkata
Date : 30th June, 2008

Sudeep Malik
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	2007-2008	2006-2007
I. Electricity		
a) Purchase Unit (KWH in lacs)	54.87	51.15
b) Total Amount (Rs. In lacs)	248.25	249.48
c) Rate/KWH (In lacs)	4.52	4.88
B) CONSUMPTION PER UNIT PRODUCTION		
Production (Units in Linear Mts. In lacs)		
Pure Wool Fabrics	13.98	17.08
Polywool	17.82	8.98
Others	0.01	0.00
Electricity per Linear Mts. (Units)		
Pure Wool Fabrics	1.72	1.96
Polywool	1.72	1.96
Others	1.72	1.96

'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 Super fine wool fabric.
 - Development Wool Cotton Blended fabrics.
 - Development of various finishes on Fabric such as water, oil & stain Repellent Finish, Ice touch Finish, Nano finish etc.
 - Development of Special performance fabrics for uniforms with various finishes with special year specification.
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 Fabrics manufactures.



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3. Future plan of action

- We continue to occupy the status of High quality Fabrics manufactures.
- Wool Cotton Blended fabric are very well accepted in Garment sector like GAP.

	2007-2008 (Rs.)	2006-2007 (Rs.)
4. Expenditure on R & D		
a) Capital	773962	260000
b) Recurring	1128880	962738

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 plant of the company in Raipur as well as Nagpur are continuing with ISO 9001 - 2000 certification.
 ➤ Obtain CSCC Social Compliance Certificate approved for USA Market.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

	2007-2008 (Rs. In Lacs)	2006-2007 (Rs. In Lacs)
a) Foreign Exchange Earnings	4993.05	6356.15
b) Foreign Exchange Outgo		
i) CIF Value of Imports		
Raw Material	82.65	33.21
Capital Goods	19.53	10.30
Components & Spare Parts	94.70	103.52
ii) Others	95.31	71.85



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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 3 (three) Non-Executive and Independent Directors.

The constitution of Board as it was during the Year 2007-2008 is given below :

Name of Directors	Executive/Non-Executive/ Independent*	No. of other Directorships**	Other Committee(s)	
			Member	Chairman
Mr. K. Srinivasan (Upto 04.02.2008)	Non-Executive & Independent	2	3	-
Mr. P. P. Chowdhury	Non-Executive & Independent	2	3	-
Mr. Amit Chaudhury (Upto 07.01.2008)	Non-Executive & Independent	-	-	-
Mr. O. P. Sharma (From 30.06.2007 to 31.10.2007)	Executive Director	-	-	-
Mr. N. K. Garg (From 30.06.2007)	Non-Executive & Independent	-	-	-
Mr. Sudeep Malik (From 01.10.2007)	Executive Director	-	-	-
Mr. N. D. Khorana (From 31.01.2008)	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 five times during the year 2007-2008 on the following dates : **30.04.2007, 30.06.2007, 31.07.2007, 31.10.2007 and 31.01.2008.**

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.