



**UNIWORTH
TEXTILES
LIMITED**

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**ANNUAL
REPORT
2008 - 2009**



UNI WORTH
TEXTILES
LIMITED

BOARD OF DIRECTORS

(As on 30.06.2009)

ANIL KUMAR SHARMA
PARTHO PAL CHOWDHURY
NIRMAL KUMAR GARG
N. D. KHORANA

— Managing Director

AUDIT COMMITTEE

(As on 30.06.2009)

PARTHO PAL CHOWDHURY
NIRMAL KUMAR GARG
N. D. KHORANA
ANIL KUMAR SHARMA

REGISTERED OFFICE

'UNI WORTH CENTRE'
70A, Shakespeare Sarani
Kolkata - 700 017
Phone : (033) 4000-3100
Fax : (033) 2280-3620

COMPANY SECRETARY

SUBID CHANDRA MAJUMDER

REGISTRARS

M/s C. B. Management Services(P) Limited
P-22, Bondel Road
Kolkata - 700 019
Phone : (033) 4011-6700/6711/6718/6723
Fax : (033) 2287-0263

AUDITORS

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

WORKS

100% EOU Weaving Unit
Urla Growth Centre
Raipur, Chattisgarh

BANKERS

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

100% EOU Finishing Unit
MIDC, Butibori
Nagpur, Maharashtra



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NOTICE :

Notice is hereby given that the 17th 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 Wednesday, the 30th day of September, 2009 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, 2009 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. N. K. Garg, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. N. D. Khorana, 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 :

- (a) **RESOLVED THAT** Mr. A. K. Sharma, who was appointed as Additional Director and also Executive/ Whole-time Director of the Company and later designated as Managing 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. A. K. Sharma as an Executive/Whole-time Director of the Company, and subsequently designated as Managing Director, for a period of 5 years with effect from 30th January, 2009 on such remuneration and terms, as set out in the Explanatory Statement.

Registered Office :

"UNI WORTH CENTRE"
70A Shakespeare Sarani
Kolkata - 700 017
Date : 30th June, 2009

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, 2009 to 30th September, 2009, 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. 5(a)

Mr. A. K. Sharma, who was appointed as an Additional Director of the Company with effect from 30th January, 2009 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. A. K. 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. A. K. Sharma is concerned and/or interested in the aforesaid resolution.

Item No. 5(b)

The Board of Directors had appointed Mr. A. K. Sharma as an Executive/Whole-time Director of the Company for a period of five years with effect from 30th January, 2009 on remuneration and terms as given below. His designation was subsequently changed to Managing Director w.e.f. 30th April, 2009.



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Mr. A. K. Sharma is a qualified Engineer and MBA having wide experience in Textiles Industries in the field of Operations, Marketing and Management. In view of his qualification and experience, it was considered that the appointment of Mr. A. K. Sharma as an Executive/Whole-time Director of the Company (subsequently designated as Managing Director) would benefit the company.

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

1. Salary : Rs. 32,500/- per month with Annual increments as per rules of the Company and based on performance.
2. Housing : House Rent Allowance of Rs. 11,375/- 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. A. K. Sharma is concerned and/or interested in the aforesaid resolution.

Registered Office :

"UNI WORTH CENTRE"
70A Shakespeare Sarani
Kolkata – 700 017
Date : 30th June, 2009

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 17th Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2009.

FINANCIAL HIGHLIGHTS :

	31st March 2009 (Rs. In Lacs)	31st March 2008 (Rs. In Lacs)
Sales	5151.73	5318.11
Profit/(Loss) before Interest and Depreciation	354.68	(428.21)
Less: Interest	980.46	910.22
Profit / (Loss) before Depreciation	(625.78)	(1338.43)
Less: Depreciation	181.49	312.23
Profit / (Loss) for the year	(807.27)	(1650.66)
Less : Fringe Benefit Tax	4.90	4.67
Net Profit /(Loss)	(812.17)	(1655.33)
Add: Balance b/f from the Previous year	(13984.73)	(12329.39)
Balance carried to Balance Sheet	<u>(14796.90)</u>	<u>(13984.73)</u>

OPERATIONS, MANAGEMENT DISCUSSION AND ANALYSIS :

The year 2008-09 was one of the worst ever faced by the Textile Industry. However, during the year under review, in spite of steep market recession and overall economic crisis, with poor Order situation leading to gross under utilization of capacity, there was a cash profit of Rs. 354.68 lacs (as against loss of Rs. 428.21 lacs in the previous year) before providing for Depreciation and Interest as per Accounting norms. The Company has taken vigorous measures to increase sales in Domestic, Middle East and European Markets, and have hired good Italian Designers, whose designs are well established and accepted by branded global customers. This will create High Segment, High Value premium products, yielding better results in future. The recently explored markets of Europe and Middle East are also responding well to the newly launched collections of the Company.

The Company is still under the BIFR as a Sick Industrial Undertaking.

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. N. K. Garg and Mr. N. D. Khorana retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

During the year 2008-2009, Mr. Sudeep Malik resigned from the Board w.e.f. 30.01.2009.

Since the last Annual General Meeting, Mr. A. K. Sharma has been appointed as an Additional Director and also Executive/Whole-time Director of the Company w.e.f. 30.01.2009, and later designated as Managing Director w.e.f. 30.04.2009. Appropriate Resolutions seeking your approval for his 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, 2009

A. K. Sharma
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

'FORMA'

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

ENERGY CONSERVATION :

A) POWER AND FUEL CONSUMPTION		2008-2009	2007-2008
I. Electricity			
a) Purchase Unit (KWH in lacs)		52.12	54.87
b) Total Amount (Rs. In lacs)		221.52	248.25
c) Rate/KWH (In lacs)		4.25	4.52
B) CONSUMPTION PER UNIT PRODUCTION			
Production (Units in Linear Mts. In lacs)			
Pure Wool Fabrics		10.38	13.98
Polywool		16.27	17.82
Others		—	0.01
Electricity per Linear Mts. (Units)			
Pure Wool Fabrics		1.96	1.72
Polywool		1.96	1.72
Others		1.96	1.72

'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 Super 150s Wool Fabric in lighter weight suit.
 - Development of Natural Stretch Fabric in Superfine wool fabric.
 - Development of various finishes on Fabric wrinkle resist 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.
3. Future plan of action :
 - We continue to occupy the status of High quality Fabrics manufactures.



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	2008-2009 (Rs.)	2007-2008 (Rs.)
4. Expenditure on R & D		
a) Capital	100500	773962
b) Recurring	470928	1128880

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.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

	2008-2009 (Rs. In Lacs)	2007-2008 (Rs. In Lacs)
a) Foreign Exchange Earnings	4726.65	4993.05
b) Foreign Exchange Outgo		
i) CIF Value of Imports		
Raw Material	136.45	82.65
Capital Goods	1.01	19.53
Components & Spare Parts	97.26	94.70
ii) Others	96.90	95.31



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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 designated as Managing Director and 3 (three) Non-Executive and Independent Directors.

The constitution of Board as it was during the Year 2008-2009 is given below :

Name of Directors	Executive/Non-Executive/ Independent*	No. of other Directorships**	Other Committee(s)	
			Member	Chairman
Mr. P. P. Chowdhury	Non-Executive & Independent	3	3	-
Mr. N. K. Garg	Non- Executive & Independent	-	-	-
Mr. Sudeep Malik (Upto 30.01.2009)	Executive Director	-	-	-
Mr. N. D. Khorana	Non- Executive & Independent	-	-	-
Mr. A. K. Sharma (From 30.01.2009)	Executive Director (Designation changed to Managing Director w.e.f. 30.04.2009)	-	-	-

* 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 2008-2009 on the following dates : **30.04.2008, 30.06.2008, 31.07.2008, 31.10.2008 and 30.01.2009**

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.

The attendance at the Board Meetings and Annual General Meeting during the year 2008-2009 were as under :