



**UNIWORTH
TEXTILES
LIMITED**

**ANNUAL
REPORT
2011 - 2012**



UNIORTH
TEXTILES
LIMITED

BOARD OF DIRECTORS

(As on 27.08.2012)

NIRMAL KUMAR GARG – *Executive Director*

PARTHO PAL CHOWDHURY

NARESH BHIMRAO KHARPKAR

AUDIT COMMITTEE

(As on 27.08.2012)

PARTHO PAL CHOWDHURY

NARESH BHIMRAO KHARPKAR

NIRMAL KUMAR GARG

COMPANY SECRETARY

SUBID CHANDRA MAJUMDER

AUDITORS

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

Chartered Accountants

BANKERS

CENTURION BANK LTD.

THE HONGKONG & SANGHAI

BANKING CORPORATION LTD.

PUNJAB & SIND BANK

STATE BANK OF INDIA

REGISTERED OFFICE

‘UNIORTH CENTRE’

70A, Shakespeare Sarani

Kolkata - 700 017

Phone : (033) 4000-3100

Fax : (033) 2280-3620

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) 4011-6739

WORKS

Weaving Unit (DTA)

Urla Growth Centre

Raipur, Chattisgarh

100% EOU Finishing Unit

MIDC, Butibori

Nagpur, Maharashtra



**UNI WORTH
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NOTICE :

Notice is hereby given that the 20th Annual General Meeting of the Members of UNI WORTH TEXTILES LIMITED will be held at Science City, Seminar Hall, JBS Haldane Avenue, Kolkata - 700 046 on Friday, the 28th day of September, 2012 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, 2012 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 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. Naresh Bhimrao Kharpkar, who was appointed as 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.

5. 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 a Director of the Company at the Annual General Meeting held on 27.09.2007, be and is hereby appointed as an Executive / Whole-time Director of the Company for a period of 5 years with effect from 13th August, 2012 on such remuneration and terms, as set out in the Explanatory Statement, pursuant to all applicable provisions of the Companies Act, 1956 and subject to compliance of all Statutory formalities and further approvals as may be required of such appropriate authorities as may be applicable and further subject to such conditions or modifications as may be imposed by the Central Government or any such other appropriate authority, 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.

Registered Office:

'UNI WORTH CENTRE'
70A Shakespeare Sarani
Kolkata – 700 017
Date: 27th August, 2012

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 21st September, 2012 to 28th September, 2012, 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) Brief profile of the Directors seeking re-appointment/appointment at the ensuing AGM is annexed hereto in compliance of Clause 49(IV)(G)(i) of the Listing Agreement with Stock Exchanges.
- f) 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. Naresh Bhimrao Kharpkar, who was appointed as an Additional Director of the Company with effect from 13th August, 2012 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. Naresh Bhimrao Kharpkar as a Director of the Company, liable to retire by rotation.

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

Item No. 5

Mr. N. K. Garg is a Non-executive Director of the Company since 2007. The Board of Directors had appointed him as an Executive/Whole-time Director of the Company for a period of five years with effect from 13th August, 2012 on remuneration and terms as given below.

Mr. N. K. Garg is a qualified professional with Qualification like DTT (Diploma in Textiles Technology) from M. P. Board of Technical Education with expertise in Technical Planning and Control. In view of his qualifications and experience it was considered that the appointment of Mr. N. K. Garg as Executive Director would benefit the Company.

In accordance with his terms of appointment, Mr. N. K. Garg is entitled to the following remuneration :

- 1. Salary : Rs. 25,703/- per month with Annual increments as per rules of the Company and based on performance.



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2. CCA : Rs. 3,113/- per month with increments linked to salary.
3. Medical : Rs. 1,250/- per month as Reimbursement of medical expenses incurred for self and family being.
4. Leave Travel Assistance : Rs. 2,144/- per month as Leave Travel Assistance for self and family being.
5. Other Terms : As per rules of the Company.

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.

Particulars relating to Directors seeking re-appointment/appointment pursuant to Clause 49(IV)(G)(i) of the Listing Agreement.

Mr. N. K. Garg

Mr. N. K. Garg is a qualified professional with Qualification like DTT (Diploma in Textiles Technology) from M. P. Board of Technical Education with expertise in Technical Planning and Control. He was appointed as a Director of the Company on 30.06.2007 and subsequently appointed/designated as Executive/Whole-time Director w.e.f. 13.08.2012. He does not hold Directorship of any other Company.

Mr. Naresh Bhimrao Kharpkar

Mr. Naresh Bhimrao Kharpkar is a qualified professional with Qualifications like Post Graduate (Honours) in Analytical Chemistry from Pune University and Diploma in Chemical Processing from Mumbai Board. He has rich Industrial experience of over 17 years having worked in similar industries earlier. He has been appointed as an Additional Director of the Company with effect from 13th August, 2012. He does not hold Directorship of any other Company.

He also does not hold, either directly or indirectly, any Equity Shares of the Company.

Registered Office :

"UNI WORTH CENTRE"
70A Shakespeare Sarani
Kolkata – 700 017
Date : 27th August, 2012

By Order of the Board

S. C. Majumder
Company Secretary

GREEN INITIATIVES – on sending Annual Report and Accounts to the members of the Company through electronic mode.

This initiative is pursuant to two Circulars bearing nos. 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011, respectively, issued by the Ministry of Corporate Affairs, Govt. of India.

Under the aforesaid Circulars, service of documents, including Annual Reports and Accounts, upon the shareholders through e-mail – shall be in compliance with Section 53 of the Companies Act, 1956.

The Shareholders (whether holding shares in physical or electronic mode), who are interested to receive soft copy of the Annual Reports and Accounts of the Company on and from the year, i.e., 2011-12, are requested to register their respective e-mail ids at the web-page of our Registrar & Share Transfer Agent, C B Management Services (P) Ltd., at : www.cbmsl.com/green.php



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DIRECTORS' REPORT TO THE MEMBERS :

Your Directors have pleasure in presenting the 20th Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2012.

FINANCIAL HIGHLIGHTS :

	31st March, 2012	31st March, 2011
	(Rs. in Lacs)	(Rs. in Lacs)
Sales	5742.80	7811.99
Profit/(Loss) before Interest and Depreciation	284.07	(975.77)
Less: Finance Cost	1032.72	916.22
Profit / (Loss) before Depreciation	(748.65)	(1891.99)
Less: Depreciation	217.89	215.48
Profit / (Loss) for the year	(966.54)	(2107.47)
Less : Fringe Benefit Tax	-	-
Net Profit /(Loss)	(966.54)	(2107.47)
Add: Balance b/f from the Previous year	(19014.72)	(16907.25)
Balance carried to Balance Sheet	(19981.26)	(19014.72)

OPERATIONS, MANAGEMENT DISCUSSION AND ANALYSIS :

The Year under review continued to remain glum due to continued economic recession and crisis in European & North American markets. As a result, there was a sharp drop in order flow. Turnover decreased to Rs. 57.43 crores as against Rs. 78.12 crores in the previous year. However, the Company tried to maintain better and higher value premium product mix which yielded significantly better margins than in the past, resulting in generation of Cash Profits of Rs. 2.84 crores as against operational loss of Rs. 9.16 crores in the previous year.

Various steps to rationalize the production process had also been taken which has resulted in substantial reduction in power costs. Favourable Foreign Exchange fluctuations also contributed for the significant improvement in the bottom line.

The Company has made vigorous efforts to enhance its sales in the Domestic market as well. Experienced and highly skilled modern Italian Designers had been hired, whose designs are well established and accepted by end-users around the globe. The Company has thus entered the Segment of High Range, High Value Premium Products which should yield better margins in future. The recently tapped and explored markets of Europe and Middle East are also responding well for the Company's freshly launched designer collections which should improve operative results in the coming year.

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

BUSINESS OUTLOOK :

As mentioned in the market scenario, currently the American and European economic crisis is affecting the order situation adversely. The Company is tapping new markets in Japan and in Middle-East countries. The on-going competition with China is also making it difficult to generate fresh business in countries where China's presence is in strong way.

DEPOSITS :

Your Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and the rules made thereunder.



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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.
- 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' Report have been dealt with in the Notes to Profit & Loss Account and the Balance Sheet of the Accounts, and being self-explanatory, do not call for any further clarifications.

DIRECTORS :

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

During the year 2011-12, Mr. O. P. Sharma resigned from the Board with effect from 08.02.2012.

Mr. P. K. Bhalla resigned from the Board with effect from 08.02.2012.

Since the last Annual General Meeting, Mr. N. D. Khorana has resigned from the Board w.e.f. 13.08.2012.

Mr. N. K. Garg, Non-Executive Director of the Company, has been appointed and designated as Executive Director with effect from 13.08.2012. Appropriate Resolution seeking your approval for his appointment is appearing in the Notice convening the Annual General Meeting.

Mr. Naresh Bhimrao Kharpkar has been appointed as an Additional Director of the Company with effect from 13.08.2012. Appropriate Resolution 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.



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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

N. K. Garg

P. P. Chowdhury

Date : 27th August, 2012

Executive Director

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	2011-2012	2010-2011
I Electricity		
a) Purchase Unit (KWH in lacs)	42.07	65.10
b) Total Amount (Rs. In lacs)	195.13	284.55
c) Rate/KWH (In lacs)	4.64	4.37
B) CONSUMPTION PER UNIT PRODUCTION		
Production (Units in Linear Mts. In lacs)		
Pure Wool Fabrics	5.21	18.91
Polywool	18.49	15.86
Others	0.32	2.90
Electricity per Linear Mts. (Units)		
Pure Wool Fabrics	1.75	1.62
Polywool	1.75	1.62
Others	1.75	1.62



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‘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.

	2011-2012 (Rs.)	2010-2011 (Rs.)
4. Expenditure on R & D		
a) Capital	54700	111752
b) Recurring	2211035	1873892

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.



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FOREIGN EXCHANGE EARNINGS AND OUTGO :

	2011-2012 (Rs. in Lacs)	2010-2011 (Rs. in Lacs)
a) Foreign Exchange Earnings	5094.42	7168.21
b) Foreign Exchange Outgo		
i) CIF Value of Imports		
Raw Material	4.64	306.53
Capital Goods	1.63	—
Components & Spare Parts	44.66	90.91
ii) Others	81.08	39.07