



**UNIWORTH
LIMITED**

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**ANNUAL
REPORT
2004-2005**



**UNI WORTH
LIMITED**

BOARD OF DIRECTORS

(As on 28.06.2005)

SHIV SHARMA - *Executive Director*
 AJAI PRAKASH LOHIA
 KISHORE JHUNJHUNWALA
 ANAND GOPAL BHATNAGAR
 SHREEKRISHAN JHUNJHUNWALA
 SUBID CHANDRA MAJUMDER
 SANJEEV SAXENA - *MPSIDC Nominee*

AUDIT COMMITTEE

(As on 28.06.2005)

AJAI PRAKASH LOHIA
 KISHORE JHUNJHUNWALA
 ANAND GOPAL BHATNAGAR
 SHREEKRISHAN JHUNJHUNWALA
 SUBID CHANDRA MAJUMDER

COMPANY SECRETARY

PARTHO PAL CHOWDHURY

AUDITORS

M/s. SINGHI & CO.,
 Chartered Accountants

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

BANKERS

ABN AMRO BANK
 ALLAHABAD BANK
 BANK OF AMERICA
 CENTURION BANK LTD.
 DEUTSCHE BANK
 HDFC BANK LTD.
 THE HONGKONG & SANGHAI -
 BANKING CORPORATION LTD.
 THE FEDERAL BANK LTD.
 STATE BANK OF MYSORE
 STATE BANK OF INDIA
 UNITED BANK OF INDIA
 UTI BANK LTD.

REGISTERED OFFICE

'UNI WORTH CENTRE'
 70A, Shakespeare Sarani
 Kolkata - 700 017
 Phone : (033) 2240-8885
 Fax : (033) 2240-8301

REGISTRARS

M/s. Intime Spectrum Registry Limited
 59C, Chowringhee Road, 3rd Floor
 Kolkata - 700 020
 Phone : (033) 2289-0540
 Fax : (033) 2289-0539

WORKS

100% EOU Spinning Unit
 Urla Growth Centre
 Raipur, Chattisgarh

SILK DIVISION

Amriti Urla Growth Centre
 Malda, W.B. Raipur, Chattisgarh



**UNI WORTH
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NOTICE :

Notice is hereby given that the 17th Annual General Meeting of the Members of UNI WORTH LIMITED will be held at Science City, Mini Auditorium, JBS Haldane Avenue, Kolkata - 700 046 on Thursday, the 29th day of September, 2005 at 10.30 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. A. G. Bhatnagar, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. S. K. Jhunjhunwala, 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 :

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 remuneration paid to Mr. S. K. Jain from 31.01.2005 to 22.03.2005, during the period he was a Executive Director of the Company, as set out in the Explanatory Statement.

Registered Office :

'UNI WORTH CENTRE'
70A, Shakespeare Sarani
Kolkata - 700 017
Date : 28th June, 2005

By Order of the Board

P. P. Chowdhury
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.



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- 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.
- f) Listing fees have been paid to Calcutta Stock Exchange upto 2004-2005.
- g) The unclaimed Dividend that are due for transfer to the Central Government are as follows :-

DIVIDEND	FINANCIAL YEAR	DUE FOR TRANSFER ON
13th Equity Dividend (Final)	1997-98	11.11.2005

Members who have not encashed their aforesaid Dividend Warrants are requested to approach the Company's Registrar and Transfer Agents, quoting their Folio No., Dividend Warrant No. and No. of Shares held for obtaining duplicate Dividend Warrants.

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

Mr. S. K. Jain was appointed as an Executive Director by the Board of Directors on 31.01.2005. But since he resigned from the Board and from the services of the Company w.e.f. 22.03.2005, this Resolution is proposed for the purpose of approval of the following remuneration paid to him during his tenure as Executive Director, i.e. 31.01.2005 to 22.03.2005

1. Salary : Rs. 39,000/- per month.
2. Housing : House Rent Allowance of Rs. 7000/- per month.
3. Medical : Reimbursement of medical expenses as per Company's Rules.
4. Leave Travel Assistance : Leave travel assistance for self and family as per Company's Rules.
5. Other Terms : As per rules of the Company.

The proposed resolution is recommended for adoption. None of the Directors are concerned and/or interested in the aforesaid resolution.

Registered Office :

'UNI WORTH CENTRE'
70A, Shakespeare Sarani
Kolkata - 700 017
Date : 28th, June, 2005

By Order of the Board

P. P. Chowdhury
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, 2005

FINANCIAL HIGHLIGHTS :

	31st March 2005 (Rs. In Lacs)	31st March 2004 (Rs. In Lacs)
Total Income	5370.61	6045.60
Profit/(Loss) before Interest and Depreciation Before prior period adjustment	1167.05	(528.22)
Previous year adjustments	(3.51)	(250.63)
Profit / (Loss) before Interest and Depreciation	1163.54	(778.85)
Less : Interest for the year	4344.51	4127.21
Profit / (Loss) before Depreciation	(3180.97)	(4906.06)
Less : Depreciation	1082.43	1037.94
Profit /(Loss) before Tax	(4263.40)	(5944.00)
Less : Provision for taxation	—	—
Profit / (Loss) after Tax for the year	(4263.40)	(5944.00)
Add : Balance b/f from the Previous year	(44831.21)	(38887.21)
Profit/(Loss) carried to Balance Sheet	(49094.61)	(44831.21)

OPERATIONS AND MANAGEMENT DISCUSSION AND ANALYSIS :

The Company's operations during the year under review was a major improvement in terms of contribution in comparison to previous year. Profit before interest and depreciation improved to Rs. 1163.54 Lacs as against a Loss of Rs. 778.85 Lacs in the previous year. This could be achieved through optimum product mix consisting of new blended products and a better utilization of plant capacity together with strict cost control measures. Domestic market for blended yarns has been improving steadily. The overall profitability would have been even better but for increasing trend of Raw Wool price in the International Market which in term resulted in the demand of worsted woolen yarns declining globally.

The performance of the Silk Division also improved significantly in terms of production, yeild and contribution.

PROCESS OF RESTRUCTURING :

As reported last year, some of the secured lenders had transferred and assigned their Debts to Asset Reconstruction Company (India) Limited (ARCIL) under the Securitisation & Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002. Negotiations with ARCIL are at an advanced stage of conclusion under which the total debts of the Company are proposed to be restructured through a composite Scheme which is currently under preparation. Mandatory References to BIFR under the provisions of SICA, however, are being continued to be made every year which are pending with the Board or before the AAIFR in certain cases.



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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 :

- 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 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 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. A. G. Bhatnagar and Mr. S. K. Jhunjhunwala retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

During the year 2004-2005, Mr. D. Sen was nominated by MPSIDC Ltd. w.e.f. 29.07.2004 as a Member of the Board, who was subsequently replaced by Mr. Sanjeev Saxena as Nominee Director w.e.f. 28.06.2005. Nomination of Mr. B. P. Muktieh as Nominee Director was withdrawn by IDBI Ltd. w.e.f. 31.01.2005. Nomination of Mr. Sameer Phutane as Nominee Director was withdrawn by ICICI Bank w.e.f. 16.04.2004. Mr. Sunil Kumar Jain has resigned from the Board w.e.f. 14.10.2004

Your Directors place on record their appreciation for the valuable services rendered by them.

Since the last Annual General Meeting, Mr. S. K. Jain has been appointed as Executive Director of the Company w.e.f. 31.01.2005 and he had subsequently resigned from the Board w.e.f. 22.03.2005. Appropriate Resolution seeking your approval for the remuneration paid to him during the period he was an Executive Director is appearing in the Notice convening the Annual General Meeting.

AUDITORS :

M/s. Singhi & Co., Chartered Accountants and M/s S. S. Kothari & Co., Chartered Accountants, Joint Auditors of the Company are retiring at the ensuing Annual General Meeting and are eligible for re-appointment.



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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 : 28.06.2005

Shiv Sharma
Executive Director

S. C. Majumder
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		2004-2005	2003-2004
I. Electricity			
a) Purchase Unit (KWH in lacs)		196.37	327.93
Total Amount (Rs. In lacs)		668.12	918.56
Rate/KWH (In lacs)		3.40	2.80
b) Own Generation			
Through Generator/Units (KWH in lacs)		145.33	3.51
Units/Ltr.		3.80	3.76
Cost/Unit (Rs./ Unit)		2.83	2.77
II. Coal			
Quantity (tonnes)		1080.08	949.85
Total Cost (Rs. In Lacs)		32.14	23.90
Average rate per tonne (In Rs.)		2975.65	2516.65
III. Furnace Oil			
Quantity (K. Ltr.)		3824.52	1004.61
Total Amount (Rs. In Lacs)		411.14	103.96
Average rate per Ltr. (In Rs.)		10.75	10.35
B) CONSUMPTION PER UNIT PRODUCTION			
Production (Kg. In lacs)			
Worsted Yarn		33.80	27.19
Silk Spun Yarn		1.21	0.99
Open End Yarn		0.57	0.44
Noil Yarn		1.26	0.73
Electricity per Kg. (Units)			
Worsted Yarn		7.65	9.51
Silk Spun Yarn		28.52	33.67
Open End Yarn		4.51	6.32
Noil Yarn		2.41	3.56



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HSD (Ltrs. In thousand)

'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

- : ➤ Continuous improvement in Quality Standards to match the International Markets.
 - Due to inhouse Research and Development Activities following products were developed and launched during the year.
 - i) 100% Acrylic yarn for blended and hosiery sector. During short period, at present we are market leader in blended yarn market.
 - ii) Acrylic blended with Wool, Nylon and Polyester.
 - iii) Siro and Siro lycra yarn in wool and polywool.
 - iv) Polyester/Viscose yarn in Ecrú and Dyed.
 - v) Blending of Silk with Wool, Nylon and Viscose.
 - vi) we have become market leader in Acrylic Daffodil yarn.
 - Continuous technological and market innovation to match the changed requirements of the markets.
 - Incorporated computerized colour matching system in Dyeing Department for mix and match regularly.
 - Research & Development lab and pilot plant in Dyeing Department started developing all kinds of shades
2. Benefit derived as a result of the above R & D : ➤ ISO-9001 have been renewed during this year.
3. Future plan of action : ➤ Strengthening the research on quality improvement.
- To achieve total quality management cost reduction.
4. Expenditure on R & D
- a) Capital : NIL
- b) Recurring : ➤ Expenses incurred are charged to respective heads and are not allocated separately.



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TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION :

1. Efforts in brief made towards technology absorption, adaptation and innovation :
 - ☞ The Company always keep close contact with IWS, CSIR and other Internationals, Indian Research Institutes like Inter Wool Lab, Silk Board etc. Various technical experts give their view and suggestion for improving technology. Technical Staff of the Company are sent abroad for training in new technology.
2. Benefit derived as a result of the above efforts e.g., products improvement, cost reduction, product development, import substitution etc. :
 - Benefits derived are :-
 - ☞ Improvement in productivity per spindle and reduction in cost.
 - ☞ Better capacity utilization in machine with improved quality.
 - ☞ By optimizing development relative temperature and relative humidity, the Company has saved considerable amount. By using the latest technology based energy efficient fuses, chokes, tubelight, ballasts and power cables etc., the Company has achieved a significant savings on electricity consumption.
3. In case of imported technology (Imported during last 5 years reckoned from the beginning of the financial year), following information may be furnished.
 - a) Technology imported : Not Applicable
 - b) Year of Import : Not Applicable
 - c) Status of Implementation : Not Applicable

FOREIGN EXCHANGE EARNINGS AND OUTGO :

	<u>2004-2005</u> (Rs. In Lacs)	<u>2003-2004</u> (Rs. In Lacs)
a) Foreign Exchange Earnings (including Deemed Export Rs.2791.17 Lacs and Trading Goods of Worsted Yarn Rs. Nil)	2791.17	2568.19
b) Foreign Exchange Outgo		
i) CIF Value of Imports		
Raw Material	301.69	2432.20
Capital Goods	—	178.71
Components & Spare Parts	173.39	188.00
ii) Others	—	2.43