



**UNIWORTH
LIMITED**



**ANNUAL
REPORT
2006-2007**



**UNI WORTH
LIMITED**

BOARD OF DIRECTORS

(As on 30.06.2007)

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

AUDIT COMMITTEE

(As on 30.06.2007)

KISHORE JHUNJHUNWALA
ANAND GOPAL BHATNAGAR
SHREEKRISHAN JHUNJHUNWALA
SUBID CHANDRA MAJUMDER
SHIV SHARMA

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) 4000-3100
Fax : (033) 2290-8301

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

WORKS

100% EOU Spinning Unit
Urla Growth Centre
Raipur, Chattisgarh

SILK DIVISION

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



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NOTICE :

Notice is hereby given that the 19th Annual General Meeting of the Members of UNI WORTH 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 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, 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. Kishore Jhunjunwala, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. A. G. Bhatnagar, 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 appointment of Mr. Shiv Sharma who was already a Non-Executive Director of the Company and subsequently appointed as an Executive/Whole-time Director by the Board, as Executive 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.

Registered Office :

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

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 20th September, 2007 to 27th September, 2007 both days inclusive.



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- 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

Mr. Shiv Sharma, who was already a Non-Executive Director of the Company, was appointed as an Executive /Whole-time Director of the Company for a period of 5 years with effect from 30th June, 2007 on remuneration and terms as given below.

Mr. Shiv Sharma is a Textile Engineer with Management Qualifications like MMS from IIT, Delhi, PGDMM from FMS, Delhi and has over 28 years experience in Textile Industries in the field of manufacturing and marketing.

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

1. Salary : Rs. 57500/- per month with Annual increments as per rules of the Company and based on performance.
2. Housing : House Rent Allowance of Rs. 15750/- 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. Shiv Sharma 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

**P. P. Chowdhury
Company Secretary**


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DIRECTORS' REPORT TO THE MEMBERS :

Your Directors have pleasure in presenting the 19th 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)
Total Income	9487.08	5217.69
Profit/(Loss) before Interest and Depreciation		
Before prior period adjustment	1155.03	729.42
Previous year adjustments	1.08	6.73
Profit/(Loss) before Interest and Depreciation	1156.11	736.15
Less : Interest for the year	4438.53	4453.40
Profit/(Loss) before Depreciation	(3282.42)	(3717.25)
Less : Depreciation	1026.28	1095.15
Profit/(Loss) before Tax	(4308.70)	(4812.40)
Less : Provision for taxation		
Fringe Benefit Tax	6.81	9.17
Profit/(Loss) after Tax for the year	(4315.51)	(4821.57)
Add : Balance Brought Forward from the Previous year	(53916.18)	(49094.61)
Profit/(Loss) carried to Balance Sheet	(58231.69)	(53916.18)

OPERATIONS AND MANAGEMENT DISCUSSION AND ANALYSIS :

The year 2006-07 generally witnessed orderly trends in the Textile segment and your Company's performance during the year under review improved marginally in comparison to previous years. The Profit before interest and depreciation for the current year improved to at Rs. 1156.11 lacs as against Rs. 736.15 lacs for the corresponding previous year. The recessionary conditions continued in the Woolen worsted yarn industry mainly due to drastic increase in wool prices. The financial results for the year were affected partly due to strengthening of Indian Rupee and competition from China in global market. There was negligible improvement in global demand for woolen worsted yarns, however the domestic demand for blended worsted yarn improved significantly. To reap the benefits of growing domestic demand, the manufacturing facilities of Export Oriented Unit were partially debonded in the later part of the year. Certain new technology machines and balancing equipments were added to improve the quality and capacity utilization. There is significant improvement in the performance of Silk Division primarily due to increase in domestic demand and softening of raw material prices.

To improve the profitability in future, the Company is making efforts to increase the domestic market share and is also planning to optimise capacity utilization. Your Directors expect better results in the coming years.

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 for restructuring and restatement of outstanding debts are still in progress.

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 Clause 49 and all other applicable provisions of Listing Agreements with the Stock Exchanges and other Company Law requirements. 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. Kishore Jhunjhunwala and Mr. A. G. Bhatnagar retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

Since the last Annual General Meeting, Mr. Shiv Sharma has been appointed as a Executive/Whole-time Director of the Company w.e.f. 30.06.2007. Appropriate Resolutions seeking your approval for his appointment 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.

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 : 30.06.2007

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	<u>2006-2007</u>	<u>2005-2006</u>
I Electricity		
a) Purchase Unit (KWH in lacs)	245.71	68.31
Total Amount (Rs. in lacs)	986.24	311.85
Rate/KWH (in lacs)	4.01	4.57
b) Own Generation		
Through Generator/Units (KWH in lacs)	22.35	206.82
Units/Ltr.	3.93	3.96
Cost/Unit (Rs. / Unit)	3.93	3.72
II Coal		
Quantity (tones)	1013.66	754.25
Total Cost (Rs. in Lacs)	36.61	26.46
Average rate per tone (in Rs.)	3611.66	3508.12
III Furnace Oil		
Quantity (K. Ltr.)	568.81	5222.80
Total Amount (Rs. in Lacs)	87.82	768.80
Average rate per Ltr. (in Rs.)	15.44	14.72
B) CONSUMPTION PER UNIT PRODUCTION		
Production (Kg. in lacs)		
Worsted Yarn	26.16	25.76
Silk Spun Yarn	1.45	1.19
Open End Yarn	0.08	0.51
Noil Yarn	0.82	0.65
Electricity per Kg. (Units)		
Worsted Yarn	8.04	9.31
Silk Spun Yarn	17.65	24.22
Open End Yarn	2.79	3.08
Noil Yarn	2.23	3.40

'FORM B'

Form for Disclosure of particulars with respect to Technology Absorption

RESEARCH & DEVELOPMENT (R & D) :

- 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.



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- i) 100% Daffodil Acrylic yarn. At present we are market leader in yarn market.
 - ii) Acrylic blended yarn with Wool, Nylon and Polyester.
 - iii) Siro and Siro lycra yarn in Wool and Polywool.
 - iv) Polyester/Viscose & polyester Acrylic yarn.
 - 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 dyeing automation for better receipt management & consistency in shades.
 - ⇒ 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.

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.



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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 :

	2006-2007 (Rs. in Lacs)	2005-2006 (Rs. in Lacs)
a) Foreign Exchange Earnings (including Deemed Export Rs. 3932.21 Lacs and Trading Goods of Worsted Yarn Rs. 774.68 Lacs)	5435.43	2990.22
b) Foreign Exchange Outgo		
i) CIF Value of Imports		
Raw Material	3815.56	765.21
Capital Goods	31.96	—
Components & Spare Parts	2.61	29.36
ii) Others	0.12	1.04

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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 the 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 the interest of other stakeholders including the employees and all others connected with the Organization.

2. Board of Directors :

Your Board presently consists 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 and 5 (five) Non-Executive & Independent Directors including 1 (one) Nominee Director of MPSIDC Ltd.

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. K. Jhunjunwala	Non-Executive & Independent	—	—	—
Mr. A. G. Bhatnagar	Non Executive & Independent	—	—	—
Mr S. K. Jhunjunwala	Non Executive & Independent	—	—	—
Mr. Shiv Sharma	Non Executive & Independent	—	—	—
Mr. S. C. Majumder	Non Executive & Independent	—	—	—
Mr. Sanjeev Saxena	Non-Executive & Nominee of MPSIDC Ltd.	—	—	—
Mr. A. K. Sharma	Executive Director	—	—	—

* 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 promoters or management or its subsidiaries, 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 2006-2007 on the following dates: **28.04.2006, 30.06.2006, 31.07.2006, 31.10.2006 and 31.01.2007**

The Company regularly places 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.