



**UNIORTH
LIMITED**



**ANNUAL
REPORT
2007-2008**



**UNI WORTH
LIMITED**

BOARD OF DIRECTORS

(As on 30.06.2008)

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

AUDIT COMMITTEE

(As on 30.06.2008)

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 20th 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 Tuesday, the 30th day of September, 2008 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, 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. S. K. Jhunjhunwala, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. S. C. Majumder, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

Registered Office :

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

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 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) 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

Registered Office :

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

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 20th 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)
Total Income	13200.46	9487.08
Profit/(Loss) before Interest and Depreciation		
Before prior period adjustment	2161.11	1155.03
Previous year adjustments	0.36	1.08
Profit / (Loss) before Interest and Depreciation	2161.47	1156.11
Less : Interest for the year	4700.15	4438.53
Profit / (Loss) before Depreciation	(2538.68)	(3282.42)
Less : Depreciation	1007.73	1026.28
Profit/(Loss) before Tax	(3546.41)	(4308.70)
Less : Provision for taxation		
Fringe Benefit Tax	5.99	6.81
Profit / (Loss) after Tax for the year	(3552.40)	(4315.51)
Add : Balance Brought Forward from the Previous year	(58231.69)	(53916.18)
Profit/(Loss) carried to Balance Sheet	(61784.09)	(58231.69)

OPERATIONS AND MANAGEMENT DISCUSSION AND ANALYSIS :

The overall performance of the textile industry during the year has not been healthy as a result of steep appreciation of Indian rupee thereby rendering our exports uncompetitive. Cheaper imports also posed greater challenges to the domestic manufacturers. There was negligible improvement in global demand for woollen worsted yarns, Above factors apart from drastic increase in raw wool prices and strengthening of Australian Dollar have arrested the growth of the unit.

Amidst all these challenges, your company strengthened its leadership position in Wool & Silk segments. The performance of Silk Division significantly improved mainly due to increase in domestic demand and softening of raw material prices. Despite weak US Dollar, steep rise in wool prices and upward trend of other inputs, the operating profit of your company improved significantly during the year. The Profit before interest and depreciation for the current year improved to at Rs. 2161.11 lacs as against Rs.1155.03 lacs for the corresponding previous year.

Business Out look :

The prospects for the current year appears to be reasonably optimistic. Softening of Merino wool prices, robust Domestic demand, recent appreciation of US Dollar against Indian rupee and more focus on finer counts for export market is expected to bring more cheers to Indian Textile industry. The long term out look of Woollen worsted and silk yarn business has a positive out look as demand is expected to grow at a modest rate. Considering this ground reality, the Company has chalked out strategic plans towards sustaining volumes in domestic market and improving realization through focusing on exports of more value added finer count of yarns. Simultaneously, the thrust is on technological upgradations to improve the intrinsic yarn quality. These efforts will fetch a premium on our product and further strengthen the financial performance of your company.

PROCESS OF RESTRUCTURING :

It was reported last year that some of the secured creditors, over a period of time, had transferred and assigned their Debts with underlying securities to the Asset Reconstruction Company (India) Limited (ARCIL) in terms of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. During the



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year under review, ARCIL has initiated some of the procedural formalities under the provisions of the said Act read together with The Security Interest (Enforcement) Rules, 2002 for restructuring and recovery of outstanding debts.

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.

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. S. K. Jhunjunwala and Mr. S. C. Majumder retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

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 Government, Financial Institutions, Banks, Shareholders and others during the year under review.

On Behalf of the Board

Place: Kolkata
Date: 30.06.2008

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>2007-2008</u>	<u>2006-2007</u>
I. Electricity			
a) Purchase Unit (KWH in lacs)		295.97	245.71
Total Amount (Rs. In lacs)		1124.60	986.24
Rate/KWH (In lacs)		3.80	4.01
b) Own Generation			
Through Generator/Units (KWH in lacs)		5.63	22.35
Units/Ltr.		3.94	3.93
Cost/Unit (Rs./ Unit)		5.17	3.93
II. Coal			
Quantity (tones)		1237.02	1013.66
Total Cost (Rs. In Lacs)		45.50	36.61
Average rate per tone (In Rs.)		3678.19	3611.66
III. Furnace Oil			
Quantity (K. Ltr.)		143.48	568.81
Total Amount (Rs. In Lacs)		29.11	87.82
Average rate per Ltr. (In Rs.)		20.29	15.44
B) CONSUMPTION PER UNIT PRODUCTION			
Production (Kg. In lacs)			
Worsted Yarn		23.79	26.16
Silk Spun Yarn		1.85	1.45
Open End Yarn		0.33	0.08
Noil Yarn		0.98	0.82
Electricity per Kg. (Units)			
Worsted Yarn		9.24	8.04
Silk Spun Yarn		15.71	17.65
Open End Yarn		2.76	2.79
Noil Yarn		2.24	2.23
		<u>1199.21</u>	<u>1110.67</u>

'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.



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- ☞ Due to inhouse Research and Development. Activities following products were developed and launched during the year.
 - i) Acrylic blended yarn with wool, nylon and polyester.
 - ii) Siro and Siro lycra yarn in Wool and Polywool.
 - iii) Polyester/Viscose & polyester Acrylic yarn.
 - iv) Blending of Silk with Wool, Nylon and Viscose.
 - v) 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 receipe 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 :-
 - ☞ Better capacity utilization in machine with improved quality.
 - ☞ Improvement in productivity per spindle and reduction in cost.
 - ☞ 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 :

	2007-2008 (Rs. In Lacs)	2006-2007 (Rs. in Lacs)
a) Foreign Exchange Earnings (including Deemed Export Rs. 3844.57 Lacs and Trading Goods of Worsted Yarn Rs. 303.50 Lacs)	5311.46	5435.43
b) Foreign Exchange Outgo		
i) CIF Value of Imports		
Raw Material	3579.79	3815.56
Capital Goods	231.86	31.96
Components & Spare Parts	99.21	2.61
ii) Others	142.02	0.12

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**UNI WORTH
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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 2007-2008 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***	Executive Director	—	—	—
Mr. S. C. Majumder (Chairman)	Non-Executive & Independent	—	—	—
Mr. Sanjeev Saxena	Non-Executive & Nominee of MPSIDC Ltd.	—	—	—
Mr. A. K. Sharma (Upto 30.04.2007)	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.

*** Non-Executive Director upto 29.06.2007 and Executive Director w.e.f. 30.06.2007.

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.


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The Attendance of Directors at the Board Meetings and Annual General Meeting during the year 2007-2008 were as under :

Name of Directors	Attendance*	
	Board Meeting	Last AGM
Mr. K. Jhunhunwala	4	No
Mr. A. G. Bhatnagar	-	No
Mr. S. K. Jhunhunwala	-	No
Mr. Shiv Sharma	1	No
Mr. S. C. Majumder	5	Yes
Mr. Sanjeev Saxena	-	No
Mr. A. K. Sharma (Upto 30.04.2007)	-	N.A.

* Members present at the meeting elect one of themselves as Chairman of the Meeting.

b) Remuneration of Directors :

Details of remuneration paid/payable to Directors for the year ended 31st March, 2008 are as follows :

(Amount in Rs.)

Name of Directors	Board Meeting Sitting Fees	Audit Committee Meeting Sitting Fees	Salary & Perquisites	Commission	Total
Mr. K. Jhunhunwala	8000	8000	-	-	16000
Mr. A. G. Bhatnagar	-	-	-	-	-
Mr. S. K. Jhunhunwala	-	-	-	-	-
Mr. Shiv Sharma	-	-	796662	-	796662
Mr. S. C. Majumder	10000	10000	-	-	20000
Mr. Sanjeev Saxena	-	-	-	-	-
Mr. A. K. Sharma (Upto 30.04.2007)	-	-	-	-	-

c) Code of Conduct

The Board of Directors play an important role in ensuring good governance. The Code of Conduct formulated by the Company during the year which the Directors/ Senior Executive have been advised to follow envisages inter alia, the following :-

- To observe the highest standards of ethical conduct and integrity and to work to the best of their ability and judgement.
- To maintain and help the Company in maintaining highest degree of Corporate Governance practices.
- To act in utmost good faith and exercise due care, diligence and integrity in performing their official duties.