



**UNIWORTH
LIMITED**

**A N N U A L
R E P O R T
2 0 0 9 - 2 0 1 0**



UNI WORTH
LIMITED

BOARD OF DIRECTORS

(As on 25.08.2010)

SHIV SHARMA	-	<i>Executive Director</i>
KISHORE JHUNJHUNWALA		
ANAND GOPAL BHATNAGAR		
SUBID CHANDRA MAJUMDER		
SANJEEV SAXENA	-	<i>MPSIDC Nominee</i>

AUDIT COMMITTEE

(As on 25.08.2010)

KISHORE JHUNJHUNWALA
ANAND GOPAL BHATNAGAR
SUBID CHANDRA MAJUMDER
SHIV SHARMA

COMPANY SECRETARY

PARTHO PAL CHOWDHURY

AUDITORS

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 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) 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) 2287-0263

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 22nd Annual General Meeting of the Members of UNI WORTH LIMITED will be held at Science City, Seminar Hall, JBS Haldane Avenue, Kolkata – 700 046 on Thursday, the 30th day of September, 2010 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, 2010 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. 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 : 25th August, 2010

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, 2010 to 30th September, 2010 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 : 25th August, 2010

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 22nd Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2010.

FINANCIAL HIGHLIGHTS :

	31st March 2010 (Rs. in Lacs)	31st March 2009 (Rs. in Lacs)
Total Income	10641.08	10957.26
Profit/(Loss) before Interest and Depreciation		
Before prior period adjustment	160.29	813.38
Previous year adjustments	(1.23)	3.06
Profit / (Loss) before Interest and Depreciation	159.06	816.44
Less : Interest for the year	5361.17	5361.17
Profit / (Loss) before Depreciation	(5202.11)	(4544.73)
Less : Depreciation	978.46	936.55
Profit /(Loss) before Tax	(6180.57)	(5481.28)
Less : Provision for taxation		
Fringe Benefit Tax	—	5.28
Profit / (Loss) after Tax for the year	(6180.57)	(5486.56)
Add : Balance Brought Forward from the Previous year	(67270.63)	(61784.09)
Profit/(Loss) carried to Balance Sheet	(73451.20)	(67270.65)

OPERATIONS AND MANAGEMENT DISCUSSION AND ANALYSIS :

During the year under review, though Turnover remained more or less at constant levels, Cash profit before Interest and Depreciation fell substantially to Rs. 1.60 crores as against Rs. 8.16 crores in the previous year. Overall performance of the textile industry in India continuing to remain stagnant during the year due to drastic global recessionistic factors, higher Capacity Utilization to offset the adverse economy could not be achieved to improve operational results. Falling demand for Woollen Worsted Yarns together with increase in the price of Merino Wool also affected the bottom line adversely.

However, performance of the Silk Division continued to improve during the current year by addition of more equipments to increase Capacity. Improved sourcing and pricing of raw materials with stricter cost control measures further contributed towards better returns from this Division.

BUSINESS OUT LOOK :

Economic and fiscal stability alone can improve the performance of the Textiles Industry on a Global basis and consequently of Companies in India. Political situation in India continues to be stable and hence will foster fast pace economic growth and development, which should benefit the Company in the current financial year. The long term out look of Dyed Woolen, Polywool worsted and Silk yarn business seems quite potential, and the entire Knitting segment is expected to do better. The company is continuing to make vigorous efforts to increase its sales in the domestic market. All these factors are likely to strengthen the future performance of the company.

PROCESS OF RESTRUCTURING :

Under the provisions of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act), ARCIL had taken over possession of the secured assets of the Company's plants appointed Indoworth India Limited as the Custodian of such assets. The Company's business continued throughout the year as usual. However, the matter is subjudice in various suits before the Kolkata High Court and other Forums, and necessary adjustments in the financial statements, if required, would be made upon final adjudication of proceedings.



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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 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 20 of the Accounts, and being self-explanatory, do not call for any further clarifications.

DIRECTORS :

Mr. S. K. Jhunjhunwala expired during the current year and his expiry noted and recored in Board Meeting held on 12.08.2010.

Mr. A. G. Bhatnagar 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 S. S. Kothari & Co., Chartered Accountants, Auditors of the Company are retiring at the ensuing Annual General Meeting and are eligible for re-appointment.

PARTICLUARS 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.

Place : Kolkata

Date : 25th August, 2010

On Behalf of the Board

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	2009-2010	2008-2009
I. Electricity		
a) Purchase Unit (KWH in lacs)	249.08	319.87
Total Amount (Rs. in lacs)	916.35	1229.50
Rate/KWH (In lacs)	3.68	3.84
b) Own Generation		
Through Generator/Units (KWH in lacs)	5.25	2.33
Units/Ltr.	3.67	3.92
Cost/Unit (Rs./ Unit)	7.82	6.73
II. Coal		
Quantity (tones)	3324.27	3184.85
Total Cost (Rs. in Lacs)	113.45	112.52
Average rate per tone (In Rs.)	3412.78	3532.98
III. Furnace Oil		
Quantity (K. Ltr.)	142.90	59.78
Total Amount (Rs. in Lacs)	41.04	15.68
Average rate per Ltr. (In Rs.)	28.72	26.23
B) CONSUMPTION PER UNIT PRODUCTION		
Production (Kg. in lacs)		
Worsted Yarn	13.13	18.75
Silk Spun Yarn	1.84	2.08
Open End Yarn	0.21	0.30
Noil Yarn	0.53	0.73
Electricity per Kg. (Units)		
Worsted Yarn	9.23	8.71
Silk Spun Yarn	15.28	14.23
Open End Yarn	2.76	2.67
Noil Yarn	2.32	2.19
	1070.84	1357.70

'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.



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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.

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-9001:2000 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 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 :

	2009-2010 (Rs. in Lacs)	2008-2009 (Rs. in Lacs)
a) Foreign Exchange Earnings (including Deemed Export Rs. 2351.61 Lacs)	3343.30	2669.63
b) Foreign Exchange Outgo		
i) CIF Value of Imports		
Raw Material	3467.24	8116.46
Capital Goods	76.56	284.79
Components & Spare Parts	306.34	244.59
ii) Others	162.45	0.70



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 4 (Four) Non-Executive & Independent Directors including 1 (one) Nominee Director of MPSIDC Ltd.

The constitution of Board as it was during the Year 2009-2010 is given below :

Name of Directors	Executive/Non-Executive/ Independent*	No. of other Directorships**	Other Committee(s)	
			Member	Chairman
Mr. K. Jhunjhunwala	Non-Executive & Independent	—	—	—
Mr. A. G. Bhatnagar	Non-Executive & Independent	—	—	—
Mr S. K. Jhunjhunwala	Non-Executive & Independent	—	—	—
Mr. Shiv Sharma	Executive Director	—	—	—
Mr. S. C. Majumder	Non-Executive & Independent	—	—	—
Mr. Sanjeev Saxena	Non-Executive & Nominee of MPSIDC Ltd.	—	—	—

* 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 2009-2010 on the following dates : **30.04.2009, 30.06.2009, 31.07.2009, 30.10.2009 and 29.01.2010**

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 2009-2010 were as under :

Name of Directors	Attendance*	
	Board Meeting	Last AGM
Mr. K. Jhunjhunwala	5	Yes
Mr. A. G. Bhatnagar	-	No
Mr. S. K. Jhunjhunwala	-	No
Mr. Shiv Sharma	1	No
Mr. S. C. Majumder	5	Yes
Mr. Sanjeev Saxena	-	No

* 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, 2010 are as follows :

(Amount in Rs.)

Name of Directors	Board Meeting	Audit Committee Meeting	Salary & Perquisites	Commission	Total
	Sitting Fees	Sitting Fees			
Mr. K. Jhunjhunwala	10,000	10,000	-	-	20,000
Mr. A. G. Bhatnagar	-	-	-	-	-
Mr. S. K. Jhunjhunwala	-	-	-	-	-
Mr. Shiv Sharma	-	-	13,06,380	-	13,06,380
Mr. S. C. Majumder	10,000	10,000	-	-	20,000
Mr. Sanjeev Saxena	-	-	-	-	-

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.