



**UNIWORTH
LIMITED**

**ANNUAL
REPORT
2012-2013**

BOARD OF DIRECTORS

(As on 30.05.2013)

SUBHASHCHANDRA KALRA - *Executive Director*
KISHORE JHUNJHUNWALA
ANAND GOPAL BHATNAGAR
SUBID CHANDRA MAJUMDER
SANJEEV SAXENA - *MPSIDC Nominee*

AUDIT COMMITTEE

(As on 30.05.2013)

KISHORE JHUNJHUNWALA
ANAND GOPAL BHATNAGAR
SUBID CHANDRA MAJUMDER
SUBHASHCHANDRA KALRA

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

'GREEN ACRES'
2, Nazar Ali Lane, Flat- 4A
Kolkata - 700 019
Phone : 8444012233
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

WOOL DIVISION

Spinning Unit (100% EOU & DTA)
Urla Growth Centre
Raipur, Chattisgarh

SILK DIVISION

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



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NOTICE :

Notice is hereby given that the 25th 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 26th day of September, 2013 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, 2013 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. K. Jhunjhunwala, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

Registered Office :

"GREEN ACRES"

2, Nazar Ali Lane, Flat- 4A

Kolkata - 700 019

Date : 30th May, 2013

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 19th September, 2013 to 26th September, 2013 both days inclusive.
- c) Intimation of any Change of Address should be given to the Registrar & Transfer Agent/ Company immediately.
- d) Brief profile of the Directors seeking re-appointment/appointment at the ensuing Annual General Meeting is annexed hereto in compliance of Clause 49(IV)(G)(i) of the Listing Agreement with Stock Exchanges.
- 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



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

Mr. A. G. Bhatnagar

Mr. A. G. Bhatnagar is a senior Professional having wide experience in Business Facilitation. He was appointed as a Director of the Company on 25.07.2002 and continues to hold the said office since then. He does not hold Directorship of any other Public Company.

He does not hold Membership of Committees of the Board of any other Public Company.

He holds 75 Equity Shares of the Company.

Mr. K. Jhunjhunwala

Mr. K. Jhunjhunwala is a Chartered Accountant and is a widely experienced senior management person having long association with the Company. He was appointed as a Director of the Company on 31.12.2004 and continues to hold the said office since then. He does not hold Directorship of any other Public Company and Membership of Committees of the Board of any other Public Company.

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

Registered Office :

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Kolkata - 700 019

Date : 30th May, 2013

By Order of the Board

P. P. Chowdhury

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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MANAGEMENT DISCUSSION & ANALYSIS REPORT FOR THE YEAR ENDED 31.03.2013

Industry Structure & Development

Indian Textiles Industry is one of the leading textile industries in the world and it earns over 20% of its foreign exchange through Textile exports. The Industry provides bread and butter to over 3 crores families in India. The fast growing retail apparel industry in the organized sector with multiple and strong Brands in every sphere of fabric and clothings, have further increased the importance and demand for textiles products and quality yarns in particular.

Opportunities and Threats

After global economic revival picks up the pace, the demand for quality products is expected to bounce back in the coming years. News of China's internal demand of yarns surpassing its own production capacities is also quite encouraging and is an enormous growth potential by itself for producers in India and other countries as well. However, the rising cost of raw materials is a matter of concern, together with the growing competition from other developing countries.

Segmentwise Performance

The Company's business activities fall within a single primary segment of Textile Yarns, viz. Wool/ Worsted/Silk/Silk Spun /Noil Yarns etc.

Financial Performance

Turnover of the Company during the year was Rs. 16,261.49 Lacs as against Rs. 16,495.00 Lacs in the previous year. The turnover decreased marginally by about 1.42% compared to the previous year. Loss before interest, depreciation and taxes was Rs. 1,842.06 Lacs as against a cash profit Rs. 801.26 Lacs.

Operations, Management Discussion and Analysis

During the year under review, total revenue decreased marginally to Rs. 162.61 crores as against Rs. 164.95 crores in the previous year. This was due to Cash flow shortcomings inspite of further narrowing down the working capital cycle to avail maximum rotation of funds. There was a consequent Cash Loss to the tune of Rs 17.81 crores as against a Cash Profit of Rs. 8.13 crores before Interest and Depreciation in the previous year. Overall performance of the textile industry in India continued to be under pressure due to increased cost of raw materials and other resources.

Income from the Silk Division improved considerably during the current year although the net profits from the Division was marginally lower due to all-round increase in costs.

Business Outlook

Demand for textile products have been stagnant on a global basis and have consequently affected the Companies in India as well. Sporadic fiscal instability in various global markets has also been a cause of concern. However, long term outlook of Dyed Woolen, Poly wool worsted and Silk yarn business being quite potential, and the Knitting segment expected to do better, the company is optimistic about the future owing to its determined efforts to make its presence felt in the global scenario as well as to simultaneously develop the domestic market.

Risk & Concerns

The primary risk for the Company is with the volatile Export markets and the uncertainty prevailing in the Global Economy. Having to compete with low cost producers from countries like China and Korea, is always a concern. There are no significant current borrowings and thus the company seems isolated from financial risks and concerns, especially in the face of increasing interest rates and cost of Capital.



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Risk Management

A comprehensive risk management policy for the purpose of management policy in the Company for periodical review by the Board of Directors is in place. In addition, Risk Management issues are generally discussed in the Audit Committee.

Internal Control System

The Company has adequate system of internal controls to ensure that all assets are safeguarded and protected against loss and that all transactions are authorized, recorded and reported correctly. The systems are designed to support the reliability of the financial and other records for preparing financial statements and other data. The Statutory Auditors also discuss their comments and findings with the management as well as with the audit committee.

The Company has also 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 various Stock Exchange Listing Agreements.

Human Resources

The Company continues to recognize the importance of good human relations in the smooth working of the organization. Upgradation of the skills of the employees is pursued by the Company through regular on-the-job training sessions.

Cautionary Statement

The facts and views mentioned in this report on Management Discussion and Analysis describing the Company's views about the industry or otherwise, and the forecasts made, are entirely based on opinion formed by the Management of the Company, and actual position or results may differ from those implied therein. Important factors that could make a difference include economic developments within India and outside, and also the economic performance of other countries with which the Company conducts business, as well as availability of raw materials and prices and other incidental factors.

For and on behalf of the Board of Directors

S. C. Kalra
Executive Director

S. C. Majumder
Director

Place : Kolkata
Date : 30.05.2013



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DIRECTORS' REPORT TO THE MEMBERS :

Your Directors have pleasure in presenting the 25th Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2013.

FINANCIAL HIGHLIGHTS :

	31st March 2013 (Rs. in Lacs)	31st March 2012** (Rs. in Lacs)
Total Income	16261.49	16495.00
Profit/(Loss) before Interest and Depreciation Before prior period adjustment	(1781.06)	813.29
Previous year adjustments	61.00	12.03
Profit / (Loss) before Interest and Depreciation	(1842.06)	801.26
Less : Interest for the year	5361.16	5361.16
Profit / (Loss) before Depreciation	(7203.22)	(4559.90)
Less : Depreciation	563.55	558.51
Profit /(Loss) before Tax	(7766.77)	(5118.41)
Less : Provision for taxation	-	-
Fringe Benefit Tax	-	-
Profit / (Loss) after Tax for the year	(7766.77)	(5118.41)
Add : Balance Brought Forward from the Previous year	(83568.61)	(78450.20)
Profit/(Loss) carried to Balance Sheet	(91335.38)	(83568.61)

** Figures have been regrouped wherever necessary as per advised norms.

OPERATIONS AND MANAGEMENT DISCUSSION AND ANALYSIS :

During the year under review, total revenue decreased marginally to Rs. 162.61 crores as against Rs. 164.95 crores in the previous year. This was due to Cash flow shortcomings inspite of further narrowing down the working capital cycle to avail maximum rotation of funds. There was a consequent Cash Loss to the tune of Rs 17.81 crores as against a Cash Profit of Rs. 8.13 crores before Interest and Depreciation in the previous year. Overall performance of the textile industry in India continued to be under pressure due to increased cost of raw materials and other resources.

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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 and 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



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various suits before the Calcutta High Court and other Forums, and necessary adjustments in the financial statements, if required, would be made upon final adjudication of proceedings.

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

DIRECTORS :

Mr. A. G. Bhatnagar and Mr. K. Jhunjhunwala 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.

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.



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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	Subhashchandra Kalra	S. C. Majumder
Date : 30th May, 2013	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

A) POWER AND FUEL CONSUMPTION	<u>2012-2013</u>	<u>2011-2012</u>
I Electricity		
a) Purchase Unit (KWH in lacs)	280.73	260.22
Total Amount (Rs. In lacs)	1298.23	1089.97
Rate/KWH (In lacs)	4.62	4.19
b) Own Generation		
Through Generator/Units (KWH in lacs)	8.78	17.42
Units/Ltr.	3.62	3.45
Cost/Unit (Rs./ Unit)	13.33	12.18
II Coal		
Quantity (tones)	3169.00	2639.44
Total Cost (Rs. In Lacs)	135.41	108.84
Average rate per tone (In Rs.)	4272.85	4123.76
III Furnace Oil		
Quantity (K. Ltr.)	242.71	504.98
Total Amount (Rs. In Lacs)	117.02	212.21
Average rate per Ltr. (In Rs.)	48.21	42.02
B) CONSUMPTION PER UNIT PRODUCTION		
Production (Kg. In lacs)		
Worsted Yarn	14.51	14.54
Silk Spun Yarn	1.89	1.67
Open End Yarn	1.43	0.99
Noil Yarn	0.04	0.03
Electricity per Kg. (Units)		
Worsted Yarn	13.60	7.32
Silk Spun Yarn	45.93	44.18
Open End Yarn	3.70	4.60
Noil Yarn	2.89	-
	1550.66	1411.02



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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 :
 - Continuous improvement in Quality Standards to match the International Markets.
 - Due to in house Research and Development Activities following products were developed and launched during the year.
 - i) Wool, Wool blended with Polyester yarn.
 - 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 : Implemented ISO-9001-2008 - new quality management system duly certify by BIS, during the 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