

**UNIWORTH
LIMITED**

**ANNUAL
REPORT
2010-2011**



**UNI WORTH
LIMITED**

BOARD OF DIRECTORS

(As on 26.08.2011)

SHRIPAD NARAYAN SHENWAI - *Executive Director*
KISHORE JHUNJHUNWALA
ANAND GOPAL BHATNAGAR
SUBID CHANDRA MAJUMDER
SANJEEV SAXENA - *MPSIDC Nominee*

AUDIT COMMITTEE

(As on 26.08.2011)

KISHORE JHUNJHUNWALA
ANAND GOPAL BHATNAGAR
SUBID CHANDRA MAJUMDER
SHRIPAD NARAYAN SHENWAI

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

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

SILK DIVISION

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



**UNI WORTH
LIMITED**

NOTICE :

Notice is hereby given that the 23rd 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 29th day of September, 2011 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, 2011 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. K. Jhunjhunwala, 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 :

- (a) **RESOLVED THAT** Mr. Shripad Narayan Shenwai, who was appointed as Additional Director and also Executive/Whole-time Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article 93 of the Company's Article of Association and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received due notice in writing under Section 257 of the Companies Act, 1956 alongwith requisite deposit, proposing his candidature for the Office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.
- (b) **RESOLVED THAT** pursuant to all applicable provisions of the Companies Act, 1956 and subject to compliance of all Statutory formalities and further approvals as may be required of such appropriate authorities as may be applicable and further subject to such conditions or modifications as may be imposed by the Central Government or any such other appropriate authority, 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. Shripad Narayan Shenwai as an Executive/Whole-time Director of the Company, for a period of 5 years with effect from 28th January, 2011 on such remuneration and terms, as set out in the Explanatory Statement.

Registered Office :

'UNI WORTH CENTRE'
70A, Shakespeare Sarani
Kolkata - 700 017
Date : 26th August, 2011

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, 2011 to 29th September, 2011 both days inclusive.
- 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(a)

Mr. S. N. Shenwai, who was appointed as an Additional Director of the Company with effect from 28th January, 2011 in terms of Section 260 of the Companies Act, 1956 and Article 93 of the Article of Association of the Company, vacates his office at this Annual General Meeting. A notice under Section 257 of the Companies Act, 1956 alongwith requisite deposit has been received by the Company from a member proposing the appointment of Mr. S. N. Shenwai as a Director of the Company, liable to retire by rotation.

The proposed resolution is recommended for adoption. None of the Directors except Mr. S. N. Shenwai is concerned and/or interested in the aforesaid resolution.

Item No. 5(b)

The Board of Directors had appointed Mr. S. N. Shenwai as an Executive/Whole-time Director of the Company for a period of five years with effect from 28th January, 2011 on remuneration and terms as given below.

Mr. S. N. Shenwai, has long association with the Company with wide experience in Textiles Industry in both Accounts and Commercial Functions. In view of his qualifications and experience it was considered that the appointment of Mr. S.N. Shenwai as Executive Director would benefit the Company.



UNI WORTH
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In accordance with his terms of appointment, Mr. S. N. Shenwai is entitled to the following remuneration :

1. Salary : Rs. 34,692/- per month with Annual increments as per rules of the Company and based on performance.
2. Housing : House Rent Allowance of Rs. 3,442/- per month with increments linked to salary.
3. Medical : Reimbursement of 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 : 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. S. N. Shenwai is concerned and/or interested in the aforesaid resolution.

Registered Office :
'UNI WORTH CENTRE'
70A, Shakespeare Sarani
Kolkata - 700 017
Date : 26th August, 2011

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 next 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



DIRECTORS' REPORT TO THE MEMBERS :

Your Directors have pleasure in presenting the 23rd Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2011.

FINANCIAL HIGHLIGHTS :

	31st March 2011 (Rs. in Lacs)	31st March 2010 (Rs. in Lacs)
Total Income	15012.40	10641.08
Profit/(Loss) before Interest and Depreciation		
Before prior period adjustment	1149.92	160.29
Previous year adjustments	4.64	(1.23)
Profit / (Loss) before Interest and Depreciation	1154.56	159.06
Less : Interest for the year	5356.69	5361.17
Profit / (Loss) before Depreciation	(4202.13)	(5202.11)
Less : Depreciation	796.87	978.46
Profit /(Loss) before Tax	(4999.00)	(6180.57)
Less : Provision for Taxation	-	-
Fringe Benefit Tax	-	-
Profit / (Loss) after Tax for the year	(4999.00)	(6180.57)
Add : Balance Brought Forward from the Previous year	(73451.20)	(67270.63)
Profit/(Loss) carried to Balance Sheet	(78450.20)	(73451.20)

OPERATIONS AND MANAGEMENT DISCUSSION AND ANALYSIS :

During the year under review, Turnover increased substantially to Rs. 150.12 crores as against Rs. 106.41 crores in the previous year, thereby reflecting a significant increase of over 41%. This has been achieved inspite of severe cash flow shortcomings by narrowing down the working capital cycle and by optimum rotation of available funds. Cash profit before Interest and Depreciation has accordingly showed a significant increase to Rs. 11.49 crores as against Rs. 1.60 crores in the previous year. Overall performance of the textile industry in India has been encouraging with increased demand, both domestic as well as global. However, continued increase in the price of Merino Wool did not allow the bottom line to improve even further.

Performance of the Silk Division continued to improve during the current year. Improved sourcing and pricing of raw materials with stricter cost control measures further contributed towards better returns from this Division.

BUSINESS OUT LOOK :

Demand for textile products have shown encouraging trends and have contributed in improving the performance of the Textiles Industry on a global basis and consequently of Companies in India. However sporadic fiscal instability in certain global markets are a cause of concern. The long term outlook of Dyed Woolen, Polywool worsted and Silk yarn business seems quite potential, and the entire Knitting segment is expected to do even better. The company is continuing its vigorous efforts in domestic market with visible success, and it is therefore expected that with the buoyancy in the international Textiles arena, the future performance of the company will be further strengthened in the coming years.

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



**UNI WORTH
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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. K. 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 resigned from the Board w.e.f. 28.01.2011.

Since the last Annual General Meeting, Mr. S. N Shenwai has been appointed as an Additional Director and also as an Executive / Whole-time Director of the Company w.e.f. 28.01.2011. Appropriate Resolutions seeking your approval for his appointment is appearing in the Notice convening the Annual General Meeting.

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.

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

S. N. Shenwai

S. C. Majumder

Date : 26th August, 2011

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

ENERGY CONSERVATION :

A) POWER AND FUEL CONSUMPTION	2010-2011	2009-2010
I. Electricity		
a) Purchase Unit (KWH in lacs)	354.09	249.08
Total Amount (Rs. in lacs)	1254.06	916.35
Rate/KWH (In lacs)	3.54	3.68
b) Own Generation		
Through Generator/Units (KWH in lacs)	7.65	5.25
Units/Ltr.	2.79	3.67
Cost/Unit (Rs./ Unit)	10.84	7.82
II. Coal		
Quantity (tones)	4640.94	3324.27
Total Cost (Rs. in Lacs)	163.90	113.45
Average rate per tone (In Rs.)	3531.62	3412.78
III. Furnace Oil		
Quantity (K. Ltr.)	274.78	142.90
Total Amount (Rs. in Lacs)	82.99	41.04
Average rate per Ltr. (In Rs.)	30.20	28.72
B) CONSUMPTION PER UNIT PRODUCTION		
Production (Kg. in lacs)		
Worsted Yarn	17.16	13.13
Silk Spun Yarn	2.13	1.84
Open End Yarn	0.58	0.21
Noil Yarn	0.25	0.53
Electricity per Kg. (Units)		
Worsted Yarn	8.03	9.23
Silk Spun Yarn	16.12	15.28
Open End Yarn	3.22	2.76
Noil Yarn	2.44	2.32
	1500.95	1070.84

'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.

- 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 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 | : | 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 the latest technology based energy efficient fuses, chokes, tubelight, ballasts and power cables etc., the Company has achieved a significant savings on electricity consumption. |

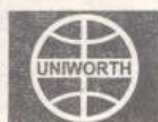


3. In case of imported technology
(Imported during last 5 years
reckoned from the beginning
of the financial year), following
information may be furnished.

- a) Technology imported : Not Applicable
b) Year of Import : Not Applicable
c) Status of Implementation : Not Applicable

FOREIGN EXCHANGE EARNINGS AND OUTGO :

	2010-2011 (Rs. in Lacs)	2009-2010 (Rs. in Lacs)
a) Foreign Exchange Earnings (including Deemed Export Rs. 1491.15 Lacs)	5784.28	3343.30
b) Foreign Exchange Outgo		
i) CIF Value of Imports		
Raw Material	4372.94	3467.24
Capital Goods	14.26	76.56
Components & Spare Parts	125.63	306.34
ii) Others	1.06	162.45



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 2010-2011 is given below :

Name of Directors	Executive/Non-Executive/ Independent*	No. of other Directorships**	Other Committee(s)	
			Member	Chairman
Mr. K. Jhunhunwala	Non-Executive & Independent	—	—	—
Mr. A. G. Bhatnagar	Non-Executive & Independent	—	—	—
Mr. Shiv Sharma (upto 28.01.2011)	Executive Director	—	—	—
Mr. S. C. Majumder	Non-Executive & Independent	—	—	—
Mr. Sanjeev Saxena	Non-Executive & Nominee of MPSIDC Ltd.	—	—	—
Mr. S. N. Shenwai (From 28.01.2011)	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 2010-2011 on the following dates : **30.04.2010, 12.08.2010, 25.08.2010, 09.11.2010 and 28.01.2011**

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.



The Attendance of Directors at the Board Meetings and Annual General Meeting during the year 2010-2011 were as under :

Name of Directors	Attendance*	
	Board Meeting	Last AGM
Mr. K. Jhunhunwala	5	Yes
Mr. A. G. Bhatnagar	-	No
Mr. Shiv Sharma (Upto 28.01.2011)	1	No
Mr. S. C. Majumder	5	Yes
Mr. Sanjeev Saxena	-	No
Mr. S. N. Shenwai (From 28.01.2011)	-	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, 2011 are as follows:
(Amount in Rs.)

Name of Directors	Board Meeting	Audit Committee Meeting	Salary & Perquisites	Commission	Total
	Sitting Fees	Sitting Fees			
Mr. K. Jhunhunwala	10,000	10,000	-	-	20,000
Mr. A. G. Bhatnagar	-	-	-	-	-
Mr. Shiv Sharma (Upto 28.01.2011)	-	-	10,37,218	-	10,37,218
Mr. S. C. Majumder	10,000	10,000	-	-	20,000
Mr. Sanjeev Saxena	-	-	-	-	-
Mr. S. N. Shenwai (From 28.01.2011)	-	-	80,337	-	80,337

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.
- Not to seek, accept or receive, directly or indirectly, any gift, payments or favour in whatsoever form from Company's Business Associates, which can be perceived as being given to gain favour or dealing with the Company and to ensure that the Company's interests are never compromised.



- To maintain confidentiality of information entrusted by the Company or acquired during performance of their duties and not to use it for personal gain or advantage.
- Not to commit any offences involving moral turpitude or any act contrary to law or opposed to the public policy.

3. Audit Committee :

The Terms of Reference of this Committee cover the matters specified for Audit Committees under clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

The Committee reviews the efficacy of the internal control mechanism and monitors the risk management policies adopted by the Company. The Committee also reviews the report furnished by the internal and Statutory Auditors and ensures that suitable follow up actions are taken. Besides, the Committee also examines accounting, taxation and disclosure aspects of all significant transactions.

During the year 2010-2011, 5 (five) meetings of the Audit Committee were held on the following dates : **30.04.2010, 12.08.2010, 25.08.2010, 09.11.2010 and 28.01.2011.**

The Constitution of the Committee and the attendance of each member of the Committee during the year 2010-2011 are given below : –

Name	Executive /Non-Executive/ Independent	Profession	Committee Meetings Attended*
Mr. K. Jhunjhunwala	Non Executive & Independent	Chartered Accountant	5
Mr. A. G. Bhatnagar	Non Executive & Independent	Professional	-
Mr. S. C. Majumder	Non Executive & Independent	Service	5
Mr. Shiv Sharma (Upto 28.01.2011)	Executive Director	Service	1
Mr. S. N. Shenwai (From 28.01.2011)	Executive Director	Service	-

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

4. Remuneration Committee :

The Remuneration Committee was formed with a view to reviewing and making recommendations on annual salaries, performance, commissions, perquisite and other employment conditions of Executive/Whole-time Directors and other Executives and Officials. The Committee also takes into consideration remuneration practices followed by leading companies as well as information provided by reputed consultants while determining the overall remuneration package.

During the year 2010-2011, 4 (four) Meetings of the Remuneration Committee were held on the following dates : **30.04.2010, 12.08.2010, 09.11.2010 and 28.01.2011.**



The Attendance of Directors at the Meetings of Remuneration Committee during the year 2010-2011 were as under :

Name of the Director	Attendance * Remuneration Committee Meeting
Mr. K. Jhunjhunwala	4
Mr. A. G. Bhatnagar	-
Mr. S. C. Majumder	4

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

The following are the members of the Committee at present :

Name	Designation*	Executive/Non-Executive/Independent
Mr. K. Jhunjhunwala	Member	Non-Executive & Independent
Mr. A. G. Bhatnagar	Member	Non-Executive & Independent
Mr. S. C. Majumder	Member	Non-Executive & Independent

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

Details of Remuneration paid/payable to Managing /Whole-time/Executive Directors Remuneration for the year ended 31st March, 2011 is as follows :

Particulars	(Rs. in Lacs)
Salary	8.57
Allowances	2.00
Perquisites	0.60
Total	11.17

5. Share Transfer cum Investors Grievance Committee :

The Board has formed the "Share Transfer cum Investors Grievance Committee" which looks into Shareholders and Investors' grievances and Share transfer. Mr. P. P. Chowdhury is the Compliance Officer of the Company.

During the year 2010-2011, 12 (Twelve) Meetings of the Share Transfer Committee were held on the following dates : 30.04.2010, 31.05.2010, 30.06.2010, 30.07.2010, 31.08.2010, 22.09.2010, 29.10.2010, 30.11.2010, 31.12.2010, 31.01.2011, 28.02.2011 and 31.03.2011.

The Attendance of Directors at the Share Transfer Committee Meetings during the year 2010-2011 were as under :

Name of the Director	Attendance * Share Transfer Committee Meeting
Mr. K. Jhunjhunwala	12
Mr. A. G. Bhatnagar	-
Mr. Shiv Sharma (Upto 28.01.2011)	-
Mr. S. C. Majumder	12
Mr. S. N. Shenwai (From 28.01.2011)	-

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



The following are the members of the Committee at present :

Name	Designation*	Executive/Non-Executive/Independent
Mr. K. Jhunjhunwala	Member	Non-Executive & Independent
Mr. A. G. Bhatnagar	Member	Non-Executive & Independent
Mr. S. C. Majumder	Member	Non-Executive & Independent
Mr. S. N. Shenwai (From 28.01.2011)	Member	Executive Director

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

i) Share Transfers :

- All Shares have been transferred and returned within the prescribed period so long as the documents have been in order in all respects.
- Total number of Equity Shares transferred during the relevant period was 36771.

ii) Status of Investor Complaints :

Complaints received from Shareholders have been cleared within the financial year. The complaints are generally replied to within 10-15 days from their lodging with the Company.

No. of Complaints received from the Investors (including brought forward)	49
No. of Complaints resolved	41
Complaints pending as on 31st March, 2011	8
No. of Shares Transfer pending for approval as on 31st March, 2011	NIL

6. General Body Meetings :

The location and time of the Annual General Meetings held during the last 3 years is as follows :

Annual General Meeting (AGM)	Date	Time	Venue	No. of Special Resolutions passed
20th Annual General Meeting	30.09.2008	10.30 A.M.	Science City, Seminar Hall JBS Haldane Avenue Kolkata - 700 046	-
21st Annual General Meeting	30.09.2009	10.30 A.M.	Science City, Seminar Hall JBS Haldane Avenue Kolkata - 700 046	-
22nd Annual General Meeting	30.09.2010	10.30 A.M.	Science City, Seminar Hall JBS Haldane Avenue Kolkata - 700 046	-

The Special Resolutions, if any, are usually passed on show of hands and mostly unanimously. No Postal Ballot were used in last year. The Company does not have any proposal for Postal Ballot at present.

7. Notes on Directors Appointment/ Re-appointment :

Mr. K. Jhunjhunwala and Mr. A. G. Bhatnagar are retiring by rotation at the ensuing Annual General Meeting and are eligible for Re-appointment.

Mr. K. Jhunjhunwala is a Chartered Accountant and widely experienced senior management person having long association in the Company.

Mr. A. G. Bhatnagar is a senior Professional having wide experience in Business Facilitation.

Mr. S. N. Shenwai, has long association with the Company having wide experience in Textiles Industry in both Accounts and Commercial Functions, and has been appointed as an Additional Director and also as an Executive/ Whole-time Director of the Company w.e.f. 28.01.2011.



8. Disclosures :

- a) No transaction of material nature has been entered into by the Company with the Directors or Promoters or Management and their relatives, their subsidiaries etc. that may have a potential conflict with the interest of the Company at a large. The Register of Contracts, in which Directors are interested, was placed before the Board regularly.
- b) No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years, as all requirements were complied with.
- c) Your Company has followed all relevant Accounting Standards while preparing the Financial Statements.
- d) **Risk Management :**

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

- e) **CEO/CFO Certification :**

The Executive/Whole-time Director and Company Secretary, who are also heading the finance function have confirmed to the Board that :

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the company, pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They have indicated to the Auditors and the Audit Committee
 - (i) that there have been no significant changes in internal control over financial reporting during the year;
 - (ii) that there have been no significant changes in accounting policies during the year; and
 - (iii) that there are no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

9. Means of Communication :

- a) The Annual, Half yearly and Quarterly Results are submitted to the Stock Exchanges in accordance with the Listing Agreement and are published in an English and also in a Bengali leading Newspapers.
- b) Management Discussion & Analysis Report is forming a part of the Annual Report.



10. General Shareholder Information :

a) Annual General Meeting :

- Date and Time
- Venue

29th September, 2011 at 10.30 A.M.
Science City
Seminar Hall
JBS Haldane Avenue, Kolkata - 700 046

b) Financial Calendar :

(tentative and subject to change)

Financial reporting for

- the Quarter ending 30th June, 2011
- the Half Year ending 30th September, 2011
- the Quarter ending 31st December, 2011
- the Year ending 31st March, 2012

2nd Week of August, 2011
2nd Week of November, 2011
2nd Week of February, 2012
3rd Week of August, 2012

c) Date of Book Closure :

22nd September, 2011
to 29th September, 2011

d) Dividend Payment Date :

N.A.

e) Registered Office :

Uniworth Centre
70A, Shakespeare Sarani
Kolkata – 700 017

f) Listing on Stock Exchanges :

The Equity Shares of the Company are listed on the following Stock Exchanges.

Code No.

The Calcutta Stock Exchange Ltd. (CSE)
Bombay Stock Exchange Ltd. (BSE)

10033010
514144

Listing fees for the Financial Year 2010-2011 have been paid to above Stock Exchanges.

g) Stock Market Data :

1. The Calcutta Stock Exchange Ltd : There have been no trading during the year.
2. Bombay Stock Exchange :

Month & Year	Bombay Stock Exchange		
	High (Rs.)	Low (Rs.)	Monthly Volume (No. of Equity Shares)
April, 2010	4.40	3.53	79816
May, 2010	4.49	3.04	79027
June, 2010	4.60	3.17	110573
July, 2010	6.19	4.55	226018
August, 2010	5.70	4.52	116298
September, 2010	5.80	3.71	209397
October, 2010	4.19	3.68	84376
November, 2010	4.35	3.50	89238
December, 2010	3.99	2.84	49525
January, 2011	3.50	2.84	42791
February, 2011	3.07	2.55	18038
March, 2011	3.15	2.34	28110



h) Registrar and Transfer Agents :

M/s. C. B. MANAGEMENT SERVICES (P) LIMITED
P-22, Bondel Road
Kolkata - 700 019
Phone No. : (033) 4011 6700/6711/6718/6723
Fax No. : (033) 2287 0263
E-mail : rta@cbmsl.com

(i) (1) Distribution of Shareholding as on 31st March, 2011

Slab of Equity Shares held	No. of Shareholders	%	No. of Equity Shares	%
1 – 500	81046	93.82	11469173	33.75
501 – 1000	3144	3.64	2333992	6.87
1001 – 2000	1308	1.51	1853292	5.45
2001 – 3000	396	0.46	980561	2.89
3001 – 4000	168	0.19	591970	1.74
4001 – 5000	108	0.13	500932	1.47
5001 – 10000	137	0.16	924296	2.72
10001 – Above	82	0.09	15332027	45.11
Total	86389	100.00	33986243	100.00

(2) Categories of Shareholders as on 31st March, 2011

Categories	Number of Equity Shares	Amount in (Rs.)	%
Promoters, Directors, Relatives and Associated Companies	13038190	130381900	38.36
Financial Institutions / Govt. Companies	824575	8245750	2.43
Mutual Funds /UTI	23230	232300	0.07
Banks	28032	280320	0.08
Foreign Institutional Investors	4300	43000	0.01
Non – Resident Indians	102889	1028890	0.30
Other Bodies Corporate	1070577	10705770	3.15
Public	18894450	188944500	55.60
Total	33986243	339862430	100.00

j) Dematerialisation of Shares :

11555228 Equity Shares (34.00% of Total Shares) are in the Dematerialised Form as on 31st March, 2011. At present, the Company's Shares are compulsorily traded in Dematerialised Form, as per notification issued by the Securities and Exchange Board of India (SEBI). The ISIN allotted for the Equity Shares of the Company is **INE207A01013**.

k) Share Transfer System :

To expedite the Share Transfer process in the Physical segment, authority has been delegated to the "Share Transfer cum Investors Grievance Committee". Share transfer/transmissions approved by the Committee are placed at the Board Meeting from time to time.



**UNIWORTH
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- l) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments : There are no outstanding Convertible Warrants/Instruments
- m) Plant Location :
1) Urla Growth Centre
Raipur, Chattisgarh
2) Amriti
Malda, West Bengal
- n) Investor Correspondence : Mr. P. P. Chowdhury
Uniworth Centre
70A, Shakespeare Sarani
Kolkata - 700 017

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE
UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

**TO THE MEMBERS OF
UNIWORTH LIMITED**

We have examined the compliance of conditions of Corporate Governance by Uniworth Limited for the year ended 31st March, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S. S. KOTHARI & CO.
Chartered Accountants
Firm Registration No. : 302034E

A. Datta
Partner

Membership No. 5634

Place : Kolkata
Date : 26th August, 2011

AUDITOR'S REPORT TO THE MEMBERS OF UNIWORTH LIMITED

We have audited the attached Balance Sheet of **UNIWORTH LIMITED** as at 31st March 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principle used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditors Report) (Amendment) Order 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose as Annexure, a statement on the matters specified in paragraphs 4 & 5 of the said order.

Attention is invited to the following :

- a) *Note No. B3(ii) regarding preparation of these Accounts on Going concern basis.*
- b)
 - i) *Note No. B 13 (a) in Schedule 20 regarding Interest provision on borrowings from some of the institutions and banks which has been made in the accounts under simple interest method at the prevailing/estimated rates applicable on such loans in absence of relevant documents/ confirmations, as a result of which impact of compound interest/penal charges wherever applicable having not been ascertained.*
 - ii) *Note No. B 13(c) in schedule 20 regarding non provision of Interest provisions on certain loans / borrowings and the impact of the non provision is not presently ascertainable.*
- c) *Note No. B 15 in Schedule 20 regarding outstanding principal amount of loan Rs. 227.30 lacs and interest receivable thereon Rs. 136.69 lacs is outstanding for long, which in our opinion is doubtful of recovery but remain unprovided for reasons as stated in the note.*
- d) *Note No. B 19 in Schedule 20 regarding pending adjustments of Sundry Debtors against supplies and other liabilities etc due to the buyers. In absence of final settlement with the parties and non receipt of necessary approval from concerned regulatory authority, we are unable to express our opinion on any such adjustments.*
- e)
 - i) *Note No. B 6 (i) in Schedule 20 regarding estimated amount of Rs. 8722.28 lacs being provided during the year 2002-03 as sales claims and commissions relating to earlier years from overseas customers of the Company which is pending for final settlement. The necessary adjustments for such claims and commissions will be made after final settlement and obtaining necessary approval from the concerned regulatory authorities, in absence of which we are unable to express our opinion on such adjustments.*
 - ii) *Note No. B 6 (ii) in schedule 20 regarding provision during the year of sales claim of Rs. 163.78 Lacs based on the past experience of the company for which we are unable to express any opinion.*



- f) *Note No. B 9 in Schedule 20 regarding Debtors/Advances amounting to Rs 1789.19 lacs relating to Companies, which have become Sick and referred to BIFR Under the Sick Industrial Companies (Special Provisions) Act, 1985. As the rehabilitation scheme of this company is pending finalisation, we are unable to comment on the amount of provision, if any, which may be required.*
- g) *In absence of relevant documents/confirmations from banks we are unable to comment on the current status of Margin deposit with banks amounting to Rs. 44.99 lacs.*
- h) *Note No. B 17 in Schedule 20 regarding Claim receivable amounting to Rs. 689.36 lacs due from various banks outstanding for long which in our opinion are Doubtful of recovery against which no adequate provision has been made in the Books of Accounts.*
- i)
 - i) *Note No. B5 (i) & (ii) in schedule 20 regarding recoverability and adjustment of Debtor balances as mentioned in the note for which we have relied on the Management Representation.*
 - ii) *Note No. B 5 (iii) in Schedule 20 regarding Overdue Export Bills amounting to Rs.992.30 lacs outstanding for long which in our opinion are Doubtful of recovery against which no adequate provision has been made in the Books of Accounts.*
- j) *In the opinion of the management, certain overdue domestic debtors amounting to Rs. 70.56 lacs as on 31.03.2011 is fully realisable. However we are unable to make an opinion on the realisability of the same. Moreover the year-end balances of the certain debtors are also unconfirmed.*
- k) *Note No. 20 in schedule 20 regarding non payment and transfer of matured debenture and interest thereof to the account of Investor Education & Protection Fund due to the reasons mentioned in the note for which we are unable to express any opinion.*
- l) *In absence of any workings for impairment of assets as per Accounting Standard- A28 "Impairment of assets", the impact of such is not ascertainable.*

Impacts of Para No. (a) to (l) is not ascertainable at this stage.

Further to our comments in the Annexure referred to above we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by the law have been kept by the company as far as appears from our examination of those books.
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the requirements of the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 (as amended) except Accounting Standard -28 "Impairment of Assets" and in the case of Leave Encashment, which is provided on accrual basis instead of actuarial valuation as prescribed by Companies (Accounting Standard) Rules, 2006.
- e) *As the Company has defaulted in redemption of its debentures, the directors of the company have become disqualified as on 31st March 2011 from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act 1956.*



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- f) In our opinion and to the best of our information and according to the explanation given to us the said accounts *subject to our comments mentioned in point no (a) to (l) above and read with other notes in Schedule 20, particularly Note no B 4 & 16*, gives the information required by the Companies Act, 1956 and also subject as above give a true & fair view in the manner so required in conformity with the accounting principles generally accepted in India:
- (i) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2011; and
 - (ii) In the case of the Profit & Loss account, of the Loss for the year ended on that date and
 - (iii) In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For **S. S. KOTHARI & CO.**

Chartered Accountants

Firm Registration No. : 302034E

A. Datta

Partner

Membership No. 5634

Place : Kolkata

Date : 26th August, 2011

Annexure referred to in the Auditors' Report to the members of UNI WORTH LIMITED on the accounts for the year ended 31st March 2011.

- I. a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. However, the updation of such records is in process.
- b) The physical verification of the Fixed Assets, as stated by the Management, has been conducted by the Management whenever practicable and the reconciliation of the quantities with the book records is in progress/has been done on a continuous basis as confirmed by the Management. The differences, if any, arising out of such reconciliation to the extent such reconciliation has been done so far have been adjusted and no serious discrepancies between book records and physical inventory have been revealed.
- c) Substantial part of the Fixed Assets has not been disposed of during the year as to affect the going concern status.
- II. a) The inventory has been physically verified during the year by the Management. Except those lying with third parties. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of the records of inventory, we are of opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and the book records, wherever ascertained were not significant and have been properly dealt with in the books of account.



- III. The Company has neither taken nor granted any loan, secured or unsecured during the year from/to companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. However, we have relied upon the entries recorded in the Register maintained under section 301 and Management's representation in this regard. Accordingly, clauses 4(III) (b) to (g) of the Order are not applicable.
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books of accounts and according to the information and explanation given to us, we have not come across any instances of major weaknesses in the aforesaid internal control system.
- V. Based on the audit procedures applied by us and according to the information and explanations provided by the Management, we are of the opinion that there are no contracts and arrangements, the particulars of which need to be entered into the register maintained under section 301 of the Companies Act, 1956. Accordingly clause 4(V) (b) of the Order is not applicable.
- VI. The company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the companies Act, 1956 during the year.
- VII. In our opinion, the present internal audit system is commensurate with the size of the company and nature of its business.
- VIII We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 and are of the opinion that prime facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- IX. a) According to the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Service Tax, Cess and any other statutory dues during the year with the appropriate authorities where applicable, except in the following cases which are outstanding for more than six months :

Sales Tax	-	Rs.	30.81lacs
Entry Tax	-	Rs.	57.12 lacs
Excise Duty	-	Rs.	3.83 lacs
Electricity Duty & Cess	-	Rs.	185.69 lacs

- b) According to the information and explanation given to us, the dues of Sales tax, Custom duty, wealth tax, Income tax, Excise duty, Service tax and Cess which have not been deposited on account of any dispute and the forum where dispute is pending are as under :



<u>Nature of Liability</u>	<u>Rs./Lacs</u>	<u>Forum</u>
Excise Duty	873.43	CESTAT, New Delhi/ Commissioner of Appeal
Water cess	3.65	CSIDC
Sales Tax	62.09	Sales Tax Authorities
Entry Tax	48.86	Dy. Comm. of Commercial Taxes

- X. The accumulated losses of the company are more than its network. The company has incurred cash losses during the current financial year covered by our audit and also in the immediately preceding financial year.
- XI. The company has defaulted in repayment of dues to the Financial Institutions, Bank and debenture holders.
- XII. According to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. The Company is not a Chit fund or a Nidhi/Mutual Benefit Fund/Society.
- XIV. The Company is not in the business of dealing or trading in shares. The Company has maintained proper records of transactions and contracts in respect of shares, securities, debentures and other investments and timely entries have been made therein. We also report that the Company has held shares, securities, debentures and other securities in its own name.
- XV. The company has given guarantee for loans taken by other companies from banks or Financial Institutions and as per the Management Representations we are of the opinion that the related terms and conditions are not prima facie prejudicial to the interests of the company.
- XVI. Based on information and explanations given to us by the Management, no term loans were obtained by the Company during the year. Hence this Clause is not applicable.
- XVII. On the basis of our overall examination of the Balance Sheet, no funds raised on short term basis have been used for long term investment.
- XVIII. During the year under audit, the company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- XIX. The Company has not issued any debentures during the year.
- XX. The Company has not raised any money by way of Public Issue during the year.
- XXI. Based upon the audit procedures performed and on the basis of information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **S. S. KOTHARI & CO.,**
Chartered Accountants
Firm Registration No. : 302034E

A. Datta
Partner

Membership No. 5634

Place : Kolkata
Date : 26th August, 2011



BALANCE SHEET AS AT 31ST MARCH 2011

	Schedules	As at 31st March 2011 (Rs. in 000's)	As at 31st March 2010 (Rs. in 000's)
SOURCES OF FUNDS			
Shareholders' Fund :			
Share Capital	1		
Equity		339,862	339,862
Preference		60,000	60,000
Reserve & Surplus	2	499,076	499,076
		<u>898,938</u>	<u>898,938</u>
Loan Funds :			
Secured Loans	3	9,032,704	8,665,881
TOTAL		<u>9,931,642</u>	<u>9,564,819</u>
APPLICATION OF FUNDS			
Gross Block	4	2,234,622	2,235,209
Less : Depreciation		1,664,972	1,599,692
Net Block		569,650	635,517
Capital Work in Progress	5	9,172	7,834
		<u>578,822</u>	<u>643,350</u>
Investments	6	300,067	300,067
Current Assets, Loans & Advances :			
Inventories	7	364,179	290,237
Sundry Debtors	8	5,072,151	4,943,252
Cash & Bank Balances	9	23,316	50,828
Loans, Advances & Deposits	10	624,763	443,800
Transfer of Fixed Assets (Pending Adjustment)		594,837	594,837
		<u>6,679,246</u>	<u>6,322,955</u>
Less : Current Liabilities & Provisions			
Liabilities	11	5,471,513	5,046,672
		<u>5,471,513</u>	<u>5,046,672</u>
Net Current Assets		<u>1,207,733</u>	<u>1,276,282</u>
Profit & Loss Account		<u>7,845,020</u>	<u>7,345,120</u>
TOTAL		<u>9,931,642</u>	<u>9,564,819</u>
Accounting Policies & Notes on Accounts	20		

As per our Report Annexed.
For **S. S. KOTHARI & CO.**
Chartered Accountants
Firm Registration No. : 302034E
A. Datta
Partner
Membership No. 5634
Place: Kolkata
Date : 26th August, 2011

S. N. Shenwai
Executive Director

S. C. Majumder
Director

P. P. Chowdhury
Company Secretary



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	Schedules	For the year ended 31st March 2011 (Rs. in 000's)	For the year ended 31st March 2010 (Rs. in 000's)
INCOME			
Sales	12	1,377,342	1,006,504
Other Income	13	56,695	12,360
Increase/(Decrease) in Stocks	14	67,203	45,244
		<u>1,501,240</u>	<u>1,064,108</u>
EXPENDITURE			
Raw Materials Consumed	15	831,011	529,528
Purchases		—	25,219
Payments to and Provisions for Employees	16	113,617	88,837
Manufacturing Expenses	17	257,935	170,228
Administrative, Selling & Other Expenses	18	183,221	234,390
		<u>1,385,784</u>	<u>1,048,202</u>
Profit/(Loss) before Interest & Depreciation		115,456	15,906
Interest	19	535,669	536,117
Profit/(Loss) before Depreciation		(420,213)	(520,211)
Depreciation for the period		79,687	97,846
Profit/(Loss) before Tax		(499,900)	(618,057)
Provision for Taxation		—	—
Provision for Fringe Benefit Tax		—	—
Profit/(Loss) After Tax for the Year		(499,900)	(618,057)
Add : Balance in Profit & Loss Account Brought Forward		(7,345,120)	(6,727,063)
Balance Carried to Balance Sheet		(7,845,020)	(7,345,120)
Basic & Diluted Earning per share		(14.71)	(18.19)
(Refer Note No. B 15 of Schedule 20)			

Accounting Policies & Notes on Accounts 20

As per our Report Annexed.
For **S. S. KOTHARI & CO.**
Chartered Accountants
Firm Registration No. : 302034E
A. Datta
Partner
Membership No. 5634
Place: Kolkata
Date : 26th August, 2011

S. N. Shenwai
Executive Director

S. C. Majumder
Director

P. P. Chowdhury
Company Secretary



		As at 31st March 2011 (Rs. in 000's)	As at 31st March 2010 (Rs. in 000's)
SCHEDULE - 1			
SHARE CAPITAL			
Authorised			
4,00,00,000	Equity Shares of Rs. 10/- each (Previous year 4,00,00,000)	400,000	400,000
90,00,000	Equity Shares of Rs. 10/- each Preference Shares of Rs100/- each (Previous year 90,00,000) Preference Shares of Rs100/- each)	900,000	900,000
	TOTAL	1,300,000	1,300,000
ISSUED, SUBSCRIBED AND PAID UP			
3,39,86,243	Equity Shares of Rs. 10/- each	339,862	339,862
6,00,000	13% Non-Convertible Cumulative Redeemable Preference Shares of Rs. 100/- each	60,000	60,000
	TOTAL	399,862	399,862

Note : 13% Non-Convertible Cumulative Redeemable Preference Shares were redeemable at par as per terms of issue in 3 equal instalments on 12.12.2000, 12.12.2001 & 12.12.2002 (Refer Note No. B-4 in Schedule 21)

SCHEDULE - 2

RESERVES & SURPLUS

CAPITAL RESERVES :

Capital Subsidy :

Balance as per last account

6,030

6,030

Debenture Redemption Reserve :

As per last Account

87,000

87,000

Share Premium Account :

As per last Account

406,046

406,046

TOTAL

499,076

499,076

SCHEDULE - 3

SECURED LOANS

Term loan

i) From Financial Institutions

Nature

Foreign Currency

173,168

173,509

ii) From Financial Institutions

Rupee Loan

1,893,181

1,893,181

iii) From Banks

Foreign Currency

625,437

627,077

Debentures

40,50,990 12.5% Non-

190,123

190,123

Convertible Debentures

Working Capital Loan

From Banks

Packing Credit

659,787

659,787

Foreign Bill Discount

1,311,299

1,311,299

Interest accrued and due

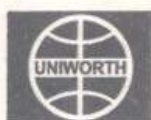
4,179,709

3,810,905

TOTAL

9,032,704

8,665,881



SECURITY

- 1) Term Loans are secured / to be secured by a first mortgage & charge of all immovable and movable assets of the company, both present and future and charge on current assets subject to prior charge created and / or to be created thereon to secure borrowing for Working Capital Requirements in the ordinary course of business. The mortgage and charge referred to above shall rank pari passu inter-se.
- 2) The Working Capital from banks are secured / to be secured by :
 - a) First charge by way of hypothecation on the Company's stocks of Raw Materials, Consumables stores, Semi-finished and Finished Goods and book debts, present and future; and
 - b) Second and sub-servient mortgage and charge created / to be created on the company's immovable and movable assets, present and future subject to first mortgage and charge created / to be created thereon in favour of lenders of Term Loans & Debentures.
- 3) The debentures together with interest etc., are secured by first mortgage and charge on all the company's immovable and movable assets, both present and future and charge on current assets subject to prior charge created / to be created thereon in favour of the Company's Bankers for securing borrowings for Working Capital Requirements in the ordinary course of business. The mortgage and charge referred to above shall rank pari passu with the mortgages and charges created / to be created in favour of the Financial Institutions.
- 4) Non - Convertible Part - C of the Debentures of Rs.50 each, Redeemable at par, as per the terms of the issue, in three equal instalments on 23.4.1999, 23.4.2000 & 23.4.2001.
- 5) As per original agreement all the Term Loans have become due for repayment. However, the company's negotiation with term lender's for the re-scheduling/re-structuring is in process.

SCHEDULE - 4 As on 31.03.2011

FIXED ASSETS

(Rs. in 000's)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 31.03.2010	Addition during the year	Deduction/ Adjustment during the year	Cost as at 31.03.2011	Up to 31.03.2010	For the year	Deduction during the year	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
FREE HOLD LAND	9,742	-	-	9,742	-	-	-	-	9,742	9,742
LEASE HOLD LAND	2,425	-	-	2,425	418	24	-	442	1,983	2,007
BUILDING	256,732	351	-	257,083	112,824	5,253	-	118,077	139,006	143,908
PLANT & MACHINERY	1,895,447	16,019	19,352	1,892,114	1,431,712	71,373	13,752	1,489,333	402,781	463,736
ELECTRICAL INSTALLATIONS	46,421	562	-	46,983	35,836	2,072	-	37,908	9,075	10,584
VEHICLES	4,692	1,861	690	5,863	2,830	306	656	2,481	3,382	1,862
FURNITURE & FIXTURES	19,749	663	-	20,412	16,072	658	-	16,730	3,682	3,677
TOTAL	2,235,209	19,455	20,042	2,234,622	1,599,692	79,687	14,408	1,664,972	569,650	635,517
Previous Year	2,238,959	4,768	8,154	2,235,209	1,502,664	97,846	818	1,599,692	635,517	-



SCHEDULE - 5

CAPITAL WORK IN PROGRESS

Capital Work In Progress

**As at 31st
March 2011
(Rs. in 000's)**

**As at 31st
March 2010
(Rs. in 000's)**

9,172

7,834

TOTAL

9,172

7,834

SCHEDULE - 6

INVESTMENTS :

LONG TERM

SHARES AND DEBENTURES

Quoted

5,000 (5,000) Units of Rs.10/-each of Mastergain

50

50

625 (625) Equity Shares of Rs. 2 each of
Jaiprakash Associates Ltd.

17

17

5,27,600 (5,27,600) Equity Shares of Rs 10/- each of
Uniworth International Ltd.

792

792

56,87,500 (56,87,500) Equity Shares of Rs 10/- each of
Uniworth Textiles Ltd.

17,632

17,632

Unquoted

15,00,000 (15,00,000) Equity Shares of Rs 10/-each of
KDL Pharma Ltd. (Full Amount Re. 1/-)

30,00,000 (30,00,000) Secured Zero Coupon Debentures
of Rs.100/- each of Indoworth India Ltd.

300,000

300,000

900 (900) Equity Shares of Rs. 10/- each of
Uniworth Power Ltd. (Full Amount Rs. 9/-)

20,75,000 (20,75,000) Equity Shares of Rs. 10/- each of
Uniworth Apparel Ltd.

2,075

2,075

320,565

320,565

Less : Provision for diminution in the value of Investments
Long term Investments

20,499

20,499

TOTAL

300,067

300,067

Aggregate amount of Quoted Investments

(Market Value Rs. 55.67 Lacs)

(Previous Year Rs. 63.95 Lacs)

67

67

Aggregate amount of Unquoted Investments

300,000

300,000

300,067

300,067

Note : The Secured Zero Coupon Debentures of Indoworth India Ltd. shall be redeemed at par in 40 equal quarterly instalments commencing from 31st December, 2010 and ending on 30th September, 2020.



SCHEDULE - 7

INVENTORIES

(As Taken, Valued & Certified by the management)

	As at 31st March 2011 (Rs. in 000's)	As at 31st March 2010 (Rs. in 000's)
Stores & Spare Parts	27,490	31,921
Raw Materials	44,322	33,152
Work in Process	133,765	95,899
Finished Goods	133,759	107,554
Waste Stock	24,843	21,711
TOTAL	364,179	290,237

SCHEDULE - 8

SUNDRY DEBTORS (Unsecured, considered Good)

More than Six Months

Considered Good	4,597,360	4,544,147
Considered Doubtful	1,644	1,644

Other Debtors Considered Good

	4,599,004	4,545,791
	473,147	397,462
TOTAL	5,072,151	4,943,252

SCHEDULE - 9

CASH AND BANK BALANCES

Cash in Hand	222	943
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Balance with Scheduled Banks

Current Account	18,036	19,399
Margin/Fixed Deposit Accounts	5,058	30,486

TOTAL	23,316	50,828
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SCHEDULE - 10

LOANS, ADVANCES AND DEPOSITS

Advances (Unsecured, Recoverable in Cash,
in Kind or for value to be received)

- Considerd Good	554,122	369,988
Considerd Doubtful	104,931	104,931

Loans

- Considerd Good	22,930	22,730
- Considerd Doubtful	93,450	93,450

Prepaid Expenses	1,093	320
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Security & Other Deposits

a) With Government Authorities	11,410	15,949
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b) Others	33,255	32,699
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Tax Deducted At Source	1,953	2,114
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	823,144	642,181
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Less : Provision for Doubtful Loans & Advances	198,381	198,381
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TOTAL	624,763	443,800
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SCHEDULE - 11

CURRENT LIABILITIES

	As at 31st March 2011 (Rs. in 000's)	As at 31st March 2010 (Rs. in 000's)
Sundry Creditors	3,943,270	3,601,037
Overdraft with Scheduled Banks	917,456	917,705
Interest Payable	610,787	527,931
TOTAL	5,471,513	5,046,672

SCHEDULE - 12

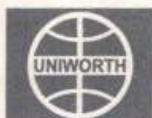
SALES

Finished Goods	1,318,700	951,774
Waste	15,571	6,006
Job Charges	43,071	23,506
Trading Goods		
Worsted Yarn	—	25,219
Sub Total	1,377,342	1,006,504
Less : Excise Duty	—	—
TOTAL	1,377,342	1,006,504

SCHEDULE - 13

OTHER INCOME

Previous Year Adjustment	—	—
Miscellaneous Income	1,756	4,029
Profit on Sale of Asset	106	—
Income from Investment	3	—
Liability no longer required written back	6,592	3
Claims Received	48,238	8,329
TOTAL	56,695	12,360



SCHEDULE - 14

INCREASE/ (DECREASE) IN STOCK

Closing Stock

	For the year ended 31st March 2011 (Rs. in 000's)	For the year ended 31st March 2010 (Rs. in 000's)
Finished Goods	133,759	107,554
Work in Process	133,765	95,899
Waste	24,843	21,711
	292,367	225,163

Less :

Opening Stock

Finished Goods	107,554	79,318
Work in Process	95,899	93,500
Waste	21,711	7,101
	225,163	179,920
TOTAL	67,203	45,244

SCHEDULE - 15

RAW MATERIAL CONSUMPTION

Opening Stock	33,152	58,228
Add : Purchases/Production	842,181	504,453
	875,334	562,680
Less : Closing Stock	44,322	33,152
TOTAL	831,011	529,528

SCHEDULE - 16

PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

Salary, Wages, Bonus & Benefits	98,185	76,290
Contribution to Provident & Other Funds	7,838	5,715
Staff & Workers' Welfare Expenses	7,594	6,832
TOTAL	113,617	88,837

SCHEDULE - 17

MANUFACTURING EXPENSES

Stores & Spares Parts Consumed	102,559	64,645
Packing Materials	10,073	4,593
Power & Fuels	131,068	90,738
Repairs & Maintenance :		
Machinery	13,033	8,610
Building	564	554
Others	638	788
TOTAL	257,935	170,228



For the year ended
31st March 2011
(Rs. in 000's)

For the year ended
31st March 2010
(Rs. in 000's)

SCHEDULE - 18

ADMINISTRATIVE, SELLING & OTHER EXPENSES

Rent	1,164	1,094
Rates & Taxes	3,668	3,589
Insurance	773	781
Managing/Whole-time Directors' Remuneration	1,117	1,306
Directors' Fees	40	40
Bank Charges	496	633
Postage, Telegram & Telephones	1,820	2,144
Auditors' Remuneration		
For Audit Fees	225	225
Tax Audit Fees	30	30
For Certificates/Other Capacity	45	98
For Expenses	25	34
Travelling & Conveyance	7,639	8,511
Miscellaneous Expenses	31,502	22,851
Freight, Clearing & Forwarding	7,888	4,341
Previous Year Adjustment	(464)	123
Discounts, Comm. & Other Selling Expenses	34,491	16,252
Loss on Sale of Assets	524	413
Loss on Foreign Exchange	92,238	170,282
Sundry Balances Written off	-	1,644
TOTAL	183,221	234,390

SCHEDULE - 19

INTEREST & FINANCE CHARGES

On Term Loans	63,493	63,493
To Banks/Others	472,176	472,624
TOTAL	535,669	536,117



SCHEDULE – 20

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

A) SIGNIFICANT ACCOUNTING POLICIES

The Accounts are prepared on the historical cost convention, on accrual basis and on a going concern concept and the significant policies followed by the company as stated here under :

1. FIXED ASSETS

Stated at Cost including pre-operative expenses & borrowing cost allocated to qualifying assets in proportion to costs thereof.

2. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

3. CAPITAL WORK IN PROGRESS

Stated at Cost.

4. DEPRECIATION

- a. The full value of Leasehold land is amortized over the period of lease.
- b. Depreciation on Fixed Assets has been provided on straight-line method on prorata basis at the rates prescribed in Schedule XIV to the Companies Act, 1956 (As amended).

5. INVENTORIES

Basis of Valuation

- | | | |
|------------------------------------|---|--|
| Raw Material | : | At Cost |
| Stores & Spare Parts | : | At Weighted Average Cost |
| Work in Process and Finished Goods | : | At Cost or Market Value whichever is lower. Cost for this purpose is determined with reference to cost of materials, labour and appropriate overheads. |
| Waste Stock | : | At estimated realizable value except waste of Silk Division used for recycling which is valued at Cost as per past practice. |

6. INVESTMENTS

Long Term Investments are stated at cost less provision and write off in cost wherever the management considers the fall in value to be of permanent in nature.

7. BORROWING COSTS

Borrowing costs that are attributable to the acquisition and construction of a qualifying asset are capitalized as part of cost of that asset. Other borrowing costs are recognised as expense in the period in which they are incurred.

8. EMPLOYMENT BENEFITS

i) Short Term Employees Benefits :

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee rendered the service. This benefit includes salary, wages, short-term compensatory absences and bonus.



ii) *Long Term Employees Benefits :*

- a) Defined contribution Short Term Employees Benefits to ESIC (Employees State Insurance Corporation) and Provident Fund Schemes. This contribution is recognized during the period in which employee renders service.
- b) Defined Benefit Scheme: For defined benefit scheme the cost of providing benefit is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. The retirement benefit obligation recognized in the balance sheet represents the value of defined benefit obligation as reduced by fair value of planned assets. Actuarial gain and losses are recognized obligation in full during the period in which they occur.
- c) Leave encashment is determined on accrual basis.

9. RECOGNITION OF INCOME AND EXPENDITURE

Items of Income and Expenditure are recognised on accrual basis.

10. SALES

Sales are inclusive of Job Processing charges and exclude Inter Unit transfer, claims etc.

11. FOREIGN EXCHANGE TRANSACTIONS

- a) Assets and Liabilities relating to Foreign Currency outstanding at the year-end are translated at the year-end rates.
- b) Purchases and Sales are accounted for at average rates of exchange prevailing in the month immediately preceding the month of transactions and the difference on account of foreign exchange fluctuation on the date of actual payment/realization are treated as foreign exchange gain/loss.

12. SEGMENT REPORTING

The accounting policies adopted for Segment Reporting are in line with the accounting policies of the company.

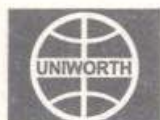
Revenue and Expenses have been identified to Segments on the basis of their relationship to the operating activities of the segment. Revenue and Expenses that relate to the enterprise as a whole and are not allocable to segment on a reasonable basis have been included under "Others".

13. TAXATION

Current Tax is determined on the basis of the amount of tax payable under the Income Tax Act, 1961, if any. Deferred Tax Liabilities/Assets subject to consideration of prudence are recognized and carried forward only when there is reasonable certainty that sufficient taxable Income will be available against which such Deferred Tax Liabilities/ Assets can be adjusted.

14. PROVISIONS AND CONTINGENT LIABILITIES

The company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made. Contingent liabilities are generally not provided for in the accounts and are disclosed separately in Notes on Accounts.



B) NOTES ON ACCOUNTS

1. Contingent Liabilities not provided for in respect of :

- a) Guarantees outstanding Rs 672.22 lacs (Previous year Rs. 672.22 lacs)
- b) Letter of credit Rs. 92.82 Lacs (Previous year Rs. 341.32 Lacs)
- c) Arrear Dividend on 13% Non-Convertible Cumulative Redeemable Preference Shares as on 31st March 2011 amounts to Rs. 382.24 lacs (Previous year Rs 382.24 lacs). See also Note B4 herein below
- d) Claims/Disputed liabilities not acknowledged as debt, the amount of which is not ascertained.
- e) Against outstanding Bank guarantee/letter of credit - Fixed deposit NIL (Previous year Rs. 257.00 Lacs) lacs lodged as security.

The company has received the following demands, which are disputed by the company and not provided for :

Nature of contingent Liability	Status indicating Uncertainties	As at 31.03.2011 (Rs. in Lacs)	As at 31.03.2010 (Rs. in Lacs)
Demand of Entry tax on Raw-material/ Capital Goods/ other goods	Appeal pending with Appellate Dy. Commissioner of Commercial Taxes/Asstt. Commissioner of Commercial Taxes/Addl. Commissioner of Commercial Taxes, Raipur, CG (Pre deposit Rs.1.49 lacs, Previous year Rs.1.49 lacs)	50.35	50.35
Demand of Commercial Tax/Central Sales Tax on sales	Appeal pending with Appellate Dy. Commissioner of Commercial Taxes/Asstt. Commissioner of Commercial Taxes/Addl. Commissioner of Commercial Taxes, Raipur, CG (Pre deposit Rs.6.52 lacs, Previous year Rs.6.52 lacs)	68.01	68.61
The demand of excise duty on waste & rejects, machine, power sale	Appeal pending with High Court, Commissioner, Customs and Excise, Raipur/Customs, Excise and Service Tax Appellate Tribunal, New Delhi (Pre deposit Rs.103.12 lacs, Previous year Rs.103.12 lacs)	203.62	203.62
Other contingent liability in respect of Customs and Excise	Appeal pending with High Court, Commissioner, Customs and Excise, Raipur/Customs, Excise and Service Tax Appellate Tribunal, New Delhi (Pre deposit Rs. Nil)	772.93	772.93
Other contingent liability in respect Professional Tax, labour cases, water cess etc.	The demands are in dispute at various forums/ authorities (Pre deposit Rs.0.04 lacs, Previous year Rs. 0.04 lacs)	9.81	9.81
	TOTAL	1,104.72	1105.32

2. The Company has given Corporate Guarantees to Financial Institutions and Banks for granting Term Loans and Working Capital Loans to certain body corporates to the extent of Rs. 7000 lacs (Previous year Rs. 7000 lacs).



3. i) Following the declaration of the Company as a Sick Industrial undertaking by The Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 30.01.2006 in terms of Section 3 (1) (A) of the Sick Industrial Companies (Special Provisions) Act, 1985 and also the appointment of Industrial Development Bank of India as the Operating Agency for preparation of a viability study report and revised scheme for the Company, Appeals against the said order were preferred by some of the secured lenders as well as the Company before the Appellate Authority for Industrial & Financial Reconstruction (AAIFR). The said appeals were taken up and adjudicated and vide its order dated 05.12.2007, AAIFR has remanded back to BIFR with a direction to reconsider the earlier references of the company on the basis of its earlier balance sheets also. **During the year, in one of the appeals pending before AAIFR and in pursuance of ARCIL application to AAIFR, has opined that in view of the actions taken by ARCIL under Section 13(4) of SARFAESI Act, the reference filed by the Company stood abated under the proviso to Section 15(1) of SICA.**

- ii) **Under the provisions of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act), ARCIL has taken over possession of the secured assets of the Company's plants during the Financial Year 2008-09 and has appointed Indoworth India Limited as the Custodian of such assets. The Companies business continued throughout the year as usual. However, the matter is subjudice in a suit before the Kolkata High Court and necessary adjustments in the financial statements, if required, would be made upon final adjudication of the proceedings.**

However, these Accounts have been prepared on a Going Concern basis as the Management is of the view that the Going Concern assumption is not vitiated for the reason as stated above.

4. 13% Non-Convertible Cumulative Redeemable Preference Shares of the company has not been redeemed at par as per term of issue in 3 equal installments completely by 12th December, 2002. The company has received during the year a letter from IDBI, the holders demanding forthwith the payment of the entire amount due on redemption together with the dividends due thereon. However the matter is pending restructuring of loans due to Bank and Financial Institutions.

5. Sundry Debtors includes :

- i) Rs. 3697.89 Lacs representing overdue Export Bills outstanding for long against which the company has obtained a decree for realizing the outstanding debts over a period of time ranging up to twenty years. The company has also filed an appeal for reduction/variation of the period of time.
- ii) Rs. 27097.12 lacs representing overdue Export Bills outstanding for long that will be set off against import liabilities, claims, and commission etc. of the respective parties.
- iii) Rs. 992.30 lacs representing overdue Export Bills outstanding for long against which the management has taken appropriate steps for its recovery.

6. i) The final settlement in respect of sales claims & commissions provided during the year 2002-03 for Rs. 8722.28 lacs is still pending & the necessary adjustment for such claims &



commissions will be made after finalisation on receipt of necessary approval from the concerned regulatory authorities.

- ii) Based on the past experience the company has provided Rs. 163.78 Lacs (Previous year Rs.72.23 lacs) during the year as sales claims which the management thinks adequate to meet future claims.
7. The company has applied from time to time to The Reserve Bank of India for extension/ set off of certain overdue bills, approval of which is still awaited.
8. There are certain cases pending in appropriate court regarding goods supplied by various creditors, which are being disputed by the Company. Advances given to them will be adjusted once the cases are disposed of and settled.
9. Current assets includes the understated amounts receivable from Companies, which have become sick and referred to BIFR under the Sick Industrial Companies (Special Provisions) Act, 1985.

	(Rs. in Lacs)
- Sundry Debtors	312.19
- Advances	1,477.00
TOTAL	1,789.19

(Note : Quantum of amount considered doubtful is not ascertainable at this stage. Accordingly, no provision have been made in the Account in this regard.)

10. The Company has amounts due to suppliers under The Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act) as at 31.03.2011. The disclosure pursuant to the said Act, as under :

	2010-11	2009-10
Principal amount due to suppliers under MSMED Act, 2006	0.80	0.74
Payment made to suppliers (Other than Interest) beyond the appointed day during the year	0.54	0.65

Note : The Information has been given in respect of such vendors to the extent they could be identified as 'Micro and Small enterprises' on the basis of information available with the Company.

11. Export obligation for the assets acquired/taken on lease without payment of applicable duties lies with the Company under the provisions of the Exim Policy (Amount unascertained).

12. Earning Per Share :	2010-11	2009-10
	(Amount in Rs.)	(Amount in Rs.)
Profit /(Loss) after taxation & Extra-Ordinary Items	(49,99,00,041)	(61,80,57,209)
Less : Accrued Cumulative Pref. Dividend	—	—
Net Basic & Diluted Earning	(49,99,00,041)	(61,80,57,209)
Weighted Average No. of Equity Shares	3,39,86,243	3,39,86,243
Basic & Diluted Earning per Share (EPS)	(14.71)	(18.19)

13. a) Interest provision on borrowing from some of the institutions and banks has been made in the accounts at prevailing/estimated rates on simple interest basis applicable on such loans. The impact of compound interest/Penal charges wherever applicable could not be ascertained.



- b) The outstanding balance of Working Capital facilities from some of the banks and Term Loans from Financial Institutions are subject to receipt of confirmation/ statements. Balances in current account from some of the Banks are also subject to receipt of confirmation/ statement.
 - c) Pending restructuring interest provision on certain loans/borrowings has not been made and impact of the same is not presently ascertainable.
 - d) Certain Banks and Financial Institutions have taken legal recourse for recovery of their dues from the company. Loans and Advances include Rs. 150 Lacs deposited with the Banks in the name of advocates on record for both parties as per order of Hon'ble Kolkata High Court in case of litigation with a Bank.
- 14. As per technical opinion by the Company, the Company's Plant have been designed and operated on continuous process plant basis and depreciation has been provided at rates applicable to continuous process plant.
 - 15. No interest income on loan amounting to Rs. 227.30 lacs has been accounted for during the year considering the financial health of the other Companies. However, the Management considers the outstanding principal amount of Rs. 227.30 lacs and interest receivable amounting to Rs.136.69 lacs thereon as good and recoverable.
 - 16. Due to non-completion of certain technical formalities, certain borrowing facilities, which were to be transferred to a body corporate pursuant to the original scheme of restructuring, could not be made.
 - 17. The claim receivable includes Rs. 689.36 Lacs due from various banks on account of excess interest charged by them in earlier years are subject to confirmation. No provision has been made there against.
 - 18. Certain Debtors, Creditors and Advances are subject to confirmation.
 - 19. In respect of Sundry Debtors (including Domestic Sales Debtors) adjustments are pending against supplies and other liabilities etc due to the buyers. Management is confident of recovering the balance after such adjustments pending approval from concerned regulatory authority.
 - 20. The company, being a sick industrial undertaking, could not redeem debentures & interest thereof as per the terms of issue, which will be dealt properly in the restructuring scheme.
 - 21. The adjustment of Rs. 59.48 crores pertaining to transfer of Fixed Assets of the company in earlier years under scheme of demerger is still pending and will be dealt in the restructuring scheme.
 - 22. In preparation of these Accounts, cognizance has not been taken by the Company of a Debit Note sent by a body corporate, indicating the unilateral transfer back by the said body corporate of all the assets which were transferred to them on 01.04.2000, together with all existing and underlying securities/charges as part of the restructuring scheme formulated by ICICI, in view of the various judicial proceedings pending at this juncture. However, the Company has been legally advised to deal with the above transfer back only after final disposal of the process of adjudication by the Court.



23. Salary and Wages, Bonus and benefits include Gratuity provided during the year amount of Rs. 64.04 lacs

24. Managing /Whole Time /Executive Directors' Remuneration :

	Current Year Rs. in lacs	Previous Year Rs. in lacs
Salary	8.57	10.15
Allowances	2.00	2.24
Perquisites	0.60	0.67
Total	11.17	13.06

25. Discounts, commission & other selling expenses include commission Rs. 181.13 lacs (Previous year Rs. 102.01 lacs).

26. Related Party Disclosure :

Related Party disclosure as required by AS -18, "Related Party Disclosure" are given below :

a. Relationship :

Associates	: Uniworth Textiles Ltd. Uniworth Power Ltd. Uniworth Apparel Ltd. Aviante International Ltd.
Key Management Personnel	: Mr. Shiv Sharma (upto 28.01.2011) Mr. S. N. Shenwai (From 28.01.2011)

b. Transactions with Related parties :

	Associates	
	2010-11	2009-10
Purchase of Goods	—	—
Sales of Goods	1,971.50	1,243.43
Services Rendered / Enjoyed	96.81	104.77
Loans & Advances		
- Given during the year	263.40	680.82
- Received during year	3,102.31	316.20
- Balance 31.03.11 (including receivables)	1,789.19	1,472.59
Guarantee Given	7,000.00	7,000.00

The transaction with the Key Management personnel has been shown else where in Notes on Accounts.



27. Based on the guiding principles given in Accounting Standards on "Segment Reporting" (AS-17) the Company's primary business segment is Wool and Silk business.

Segment wise Revenue, Results and Capital Employed under Clause 41 of the Listing Agreement for the year ended 31st March 2011

A. Primary Segment

		(Rs. in lacs)	
		2010-11	2009-10
(a) Segment Revenue (Net Sales/Income)			
(i) Segment - Wool		9,394.16	6,386.86
(ii) Segment - Silk		4,379.26	3,678.18
(iii) Others		—	—
Total		13,773.42	10,065.04
Less : Inter-Segment Revenue		—	—
Net Sales/Income from Operations		13,773.42	10,065.04
(b) Segment Results : Profit (+)/Loss (-) (before tax and Interest from each Segment)			
(i) Segment - Wool		(929.83)	(1,784.85)
Segment - Silk		738.75	858.82
Others		—	—
Total		(191.08)	(926.03)
Less : Interest (Net)		5,356.68	5,361.17
Add : Other Un-allocable income net of un-allocable expenditure		(548.76)	106.62
Total Profit/(Loss) before Tax		(4,999.00)	(6,180.58)

(c) Net Segment Assets (Segment Assets less Segment Liabilities)

Particulars	Segment Assets		Segment Liabilities		Net Segment Assets	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
(i) Segment - Wool	69,330.76	66,165.15	53,920.86	49,864.74	15,409.89	16,300.40
(ii) Segment - Silk	3,249.93	3,497.90	794.27	601.98	2,455.66	2,895.92
(iii) Others	—	—	—	—	—	—
(iv) Unallocable assets & Liabilities	3,000.67	3,000.67	—	—	3,000.67	3,000.67
Total	75,581.36	72,663.72	54,715.13	50,466.72	20,866.23	22,196.99

(d) Capital Expenditure (including Capital work in progress & Depreciation)

Particulars	Capital Expenditure		Depreciation	
	2010-11	2009-10	2010-11	2009-10
(i) Segment - Wool	245.23	32.73	705.77	828.76
(ii) Segment - Silk	41.04	14.95	91.10	149.70
(iii) Others	—	—	—	—
Total	286.27	47.68	796.87	978.46



B) Secondary Segment :

Geographical distribution of Segment Revenues

Particulars	Segment – Wool		Segment – Silk		Others		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
(i) India	5041.73	5382.76	4377.80	3678.18	–	–	9419.53	9060.94
(ii) Outside India	4352.43	1004.10	1.46	–	–	–	4353.89	1004.10
Total	9394.16	6386.86	4379.26	3678.18	–	–	13773.42	10065.04

All assets are held in India.

Note : The Company has disclosed business segment as the primary segment.

28. Additional information pursuant to the provisions of Part-II of Schedule VI to the Companies Act, 1956, to the extent relevant.

		<u>Current Year Spindles</u>	<u>Previous Year Spindles</u>
a) Particulars of Capacity			
Registered Capacity	Worsted Yarn	29448	29448
	Silk Yarn	6400	6400
	Noil Yarn	440	440
	Open End Yarn	1280	1280
Installed Capacity (*)	Worsted Yarn	26348	26348
	Silk Yarn	6400	6400
	Noil yarn	440	440
	Open End Yarn	1280	1280

(*) As certified by the Management

		<u>(Rs. in lacs)</u>	<u>(Rs. in lacs)</u>
b) CIF Value of Imports (including Deemed Imports and Trading Goods)			
Capital Goods		14.26	76.56
Raw Material (excluding material in transit)		4,372.94	3,467.24
Spare Parts		125.63	306.34
c) Expenditure in Foreign Currency			
Travelling		1.06	5.56
Interest		–	156.89
Others		–	–
d) Earnings in Foreign Exchange			
Exports on FOB Basis		5,782.81	3,343.30
(Including deemed exports Rs. 1,491.15 lacs and Trading Export Rs. NIL lacs)			
(Previous year 2,351.61 lacs)			



e) Particulars in respect of Production, Sales and Stocks of Finished Goods :

Particulars	Opening Stock		Production	Sales		Closing Stock	
	Qty. (Kgs.)	Value (Rs. in lacs)	Qty (Kgs.)	Qty. (Kgs.)	Value (Rs. in lacs)	Qty. (Kgs.)	Value (Rs. in lacs)
Worsted Yarn	240939 (146505)	842.54 (436.03)	1121758 (867547)	1122755 (773113)	7358.34 (3239.70)	239941 (240939)	1044.69 (842.54)
Silk Yarn	9967 (18924)	134.13 (232.00)	212530 (184472)	209131 (193429)	4007.16 (3395.32)	13367 (9967)	224.85 (134.13)
Noil Yarn	20577 (27003)	50.76 (74.16)	25303 (53387)	40762 (59813)	102.54 (157.61)	5117 (20577)	10.98 (50.76)
Open End Yarn	15142 (15617)	48.11 (50.99)	58228 (20925)	59613 (21400)	180.90 (65.63)	13756 (15142)	56.30 (48.11)
Waste (Silk/Wool/Polywool)	186814 (123513)	217.11 (71.01)	374364 (255091)	339095 (191790)	209.56 (60.04)	222083 (186814)	248.43 (217.11)

NOTES :

A) PRODUCTION :

- Silk Waste dispatched includes recycled during the year 104222 Kgs (Previous year production excludes waste recycled 92551 kgs).
- Worsted Yarn Production excludes 44688 kgs of yarn (Previous year 9517 kgs) issued for reprocessing.
- Worsted Yarn production exclude job account production of 544553 kgs (Previous year 445362 kgs)

B) SALES :

The above figure excludes the following; however consider the same in sales schedule.

- Worsted yarn sales excludes job processing charges amounting to Rs 430.71 lacs (Previous year Rs. 235.06 lacs) and Top sale Rs 34.54 lacs (Previous year Top sale Rs 1430.15).
- Silk Yarn sales excludes Silk Top sale of quantity 1640.65 kgs value Rs. 24.09 lacs (Previous year Qty 3927 kgs value Rs. 47.47 lacs).
- OES Yarn sales excludes OES Top qty 500 kgs amounting to Rs 2.39 lacs.(Previous year Qty 2561 kgs value Rs. 12.14 lacs).

f) Raw Material Consumed (exclude inter unit purchase)

	Current Year		Previous Year	
	Qty. (Kgs.)	Value (Rs. in lacs)	Qty. (Kgs.)	Value (Rs. in lacs)
Scoured Wool/Wool Tops	1099812	5253.18	890086	3598.18
Polyester Tow/Tops	606601	666.57	239747	24742312
Silk Tops	10580	99.31	17491	168.46
Others	581176	2291.05	615780	1281.21
Total	2298169	8310.11	1763104	5295.27

g) Value of Imported and Indigenous Raw Material and Stores & Spare Consumed and Percentage of each of the total consumption.

1. Raw Material

Particulars	Current Year		Previous Year	
	Value (Rs. in lacs)	%	Value (Rs. in lacs)	%
Imported	4835.60	58.19	3678.74	69.47
Indigenous	3474.51	30.53	1616.53	30.53
Total	8310.11	100.00	5295.27	100.00



2. Store & Spare Parts

Particulars	Current Year		Previous Year	
	Value (Rs. in lacs)	%	Value (Rs. in lacs)	%
Imported	173.44	18.41	272.74	41.92
Indigenous	768.68	81.59	377.85	58.08
Total	942.12	100.00	650.59	100.00

- h) The Company has not recognized Deferred Tax Assets (Net) as per Accounting Standard – 22, regarding "Accounting for Taxation" in view of consistent losses and of uncertainty regarding estimation of future Profit with reasonable certainty.

29. Employee benefits (Revised Accounting Standard 15)

a) Defined Contribution Plan :

The company makes contribution towards Provident Fund and ESIC to a defined contribution retirement benefit plan for qualifying employees. The Provident Fund plan is operated partly by Regional Provident Fund Commissioners and partly by an independent Trust, ESIC by Government agencies. Under the said schemes the company is required to contribute a specific percentage of pay roll costs in respect of eligible employees to the retirement benefit scheme to fund the benefits.

During the year the company has recognised Rs. 54.98 lacs for Provident fund contribution, Rs. 16.87 lacs for ESIC. The Contribution payable to these plans by the Company are at the rates specified in the rules of the scheme.

b) Defined benefit Plans :

- The plan provides for a lump sum payment to vested employees upon retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service. Vesting occurs upon completion of five years of continuous service.
- The employees of the company are eligible for encashment of leave upon retirement up to 30 days for each year (Maximum 120 days). Leave is accounted for on accrual basis.

Gratuity (Unfunded)

Year ended 31.03.2011 (Rs. in Lacs)	Year ended 31.03.2010 (Rs. in Lacs)
---	---

A. Expenses recognised in the statement of Profit & Loss Account for the year ended 31st March, 2011

i. Current Service Cost	14.40	11.74
ii. Interest Cost	14.76	15.08
iii. Expected return on planned Assets	—	—
iv. Actuarial (gain)/loss	(34.88)	(23.36)
v. Past Service Cost	—	—
vi. Effect of any curtailment/settlement	—	—
vii. Unrecognised defined Benefit Plan	—	—
viii. Expenses recognised in the Profit & Loss A/c	64.04	3.46



**UNI WORTH
LIMITED**

		Gratuity (Unfunded)	
		Year ended 31.03.2011 (Rs. in Lacs)	Year ended 31.03.2010 (Rs. in Lacs)
B.	Net (Asset)/Liabilities recognised in the Balance Sheet as at 31st March, 2011		
i.	Present Benefit of defined benefit Obligation	228.38	173.63
ii.	Fair Value of planned Asset	—	—
iii.	Net (Asset)/Liabilities recognised in the Balance Sheet	228.38	173.63
C.	Changes in the Present value of defined benefit obligation during the year ended 31st March, 2011		
i.	Present Value of defined benefit obligation as at 1st April, 2010	173.63	177.42
ii.	Current Service Cost	14.40	11.75
iii.	Interest Cost	14.76	15.08
iv.	Actuarial (gain)/loss	34.88	(23.36)
v.	Benefit Paid	(9.29)	(7.26)
	Present value obligation as at 31st March, 2011	228.38	173.63
D.	Principal Actuarial Assumption Used		
	Discount rates as at 31st March, 2011	8.50%	
	Expected Return on Planned Asset	N.A.	
	Expected Salary Increase rate	5.50%	
	Mortality Rate	LIC (1994-96) (Mortality Table)	
d.	Reconciliation of Net (Assets)/Liability recognized in the Balance Sheet as on 31st March, 2011		
	Net (Assets)/Liability recognized in the Balance Sheet as at 31st March, 2010	173.63	177.42
	Employer's Expenses	54.75	3.79
	Employer's contributions	—	—
	Net (Assets)/Liability recognized in Balance Sheet At 31.03.2011	228.38	173.63
30.	Previous Year's figures have been re-grouped/re-arranged wherever considered necessary and figures in brackets relates to Previous Year.		
31.	Schedule 1 to 11 and 20-form part of the Balance Sheet as at 31st March 2011 and Schedule 12 to 20 - form part of the Profit & Loss Account for the year ended on that date.		

As per our Report Annexed.
For **S. S. KOTHARI & CO.**
Chartered Accountants
Firm Registration No. : 302034E
A. Datta
Partner
Membership No. 5634
Place: Kolkata
Date : 26th August, 2011

S. N. Shenwai
Executive Director

S. C. Majumder
Director

P. P. Chowdhury
Company Secretary



**UNI WORTH
LIMITED**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS
PROFILE FOR THE YEAR ENDED 31ST MARCH, 2011**

I. REGISTRATION DETAILS

Registration No. 44984

State Code 21

Balance Sheet Date 31 03 2011

II. CAPITAL RAISED DURING THE YEAR

(Amount in Rs. Thousands)

Public Issue NIL

Right Issue NIL

Bonus Issue NIL

Private Placement NIL

III. POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS

(Amount in Rs. Thousands)

Total Liabilities 9931642

Total Assets* 9931642

SOURCES OF FUNDS

Paid-up Capital 339862

Reserve & Surplus 499076

Secured Loans 9032704

Unsecured Loans NIL

APPLICATION OF FUNDS

Net Fixed Assets 578822

Investment 300067

Net Currents Assets** 1207733

Misc. Expenditure —

Accumulated Losses 7845020

* Net of Current Liabilities & Provisions & including Misc. Expenditure & Loss

** Net of Current Liabilities & Provisions

IV. PERFORMANCE OF COMPANY

(Amount in Rs. Thousands)

Turnover 1377342

Total Expenditure 1877242

Loss before tax & exceptional items 499900

(Net of stocks/other income)
Loss after tax & before exceptional items 499900

Loss after tax & exceptional items 499900

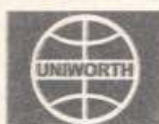
Earning per Share in Rs. (14.71)

Dividend Rate % NIL

**V. GENERIC NAMES OF THREE PRODUCTS/SERVICES OF COMPANY
AS PER MONETARY TERMS**

Item Code No.	510990
(ITC Code)	510990
	511190

Product	WOOL WORSTED YARN
Description	POLYWOOL YARN
	SILK YARN



**UNI WORTH
LIMITED**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS

31.03.2011
(Rs. in 000's)

31.03.2010
(Rs. in 000's)

(A) CASH FLOW FROM OPERATING ACTIVITIES :

Net Profit/(Loss) Before Tax and Extra Ordinary Items: (499900.04) (618057.21)

Adjustments for :

Depreciation 79687.35 97846.21

Loss on Sale of Fixed Assets 523.78 413.06

Effect of Foreign Exchange Fluctuation 92238.49 170281.61

Interest Charged 535668.46 536116.59

Operating Profit/(Loss) before working capital changes **208218.05** **186600.26**

Adjustments for :

Trade and other Receivables (603805.09) (182603.18)

Inventories (73941.50) (29660.19)

Trade Payables 457538.08 26476.81

Cash Flow before Extra Ordinary Items **(11990.46)** **813.69**

Direct Tax Paid/Refund (Net)/FBT **161.27** **170.48**

Net Cash from Operating Activities **(11829.19)** **984.18**

(B) CASH FLOW FROM INVESTING ACTIVITIES :

Purchase of Fixed Assets (Net) (15682.70) (5550.86)

Interest Received on Loans and Others — —

Net Cash from Investing Activities **(15682.70)** **(5550.86)**

(C) CASH FLOW FROM FINANCING ACTIVITIES :

Repayment of Debentures — —

Interest Paid — —

Net Cash used in Financing Activities — —

Net Increase in Cash and Cash Equivalents (27511.89) (4566.68)

Cash and Cash Equivalents (Opening Balance) 50828.05 55394.74

Cash and Cash Equivalents (Closing Balance) **23316.06** **50828.06**

Cash and Cash Equivalents consisting of :

Cash in Hand 221.94 942.91

Cash at Bank

- In Current Accounts 18035.89 19399.46

- In Fixed Deposits/Margin Money 5058.32 30485.68

23316.16 **50828.05**

As per our Report Annexed.
For **S. S. KOTHARI & CO.**
Chartered Accountants
Firm Registration No. : 302034E
A. Datta
Partner
Membership No. 5634
Place: Kolkata
Date : 26th August, 2011

S. N. Shenwai
Executive Director

S. C. Majumder
Director

P. P. Chowdhury
Company Secretary

UNIORTH LIMITED

Registered Office : Uniworth Centre, 70A, Shakespeare Sarani, Kolkata - 700 017

DP ID No. * :	Reg. Folio No. :
Client ID No. * :	No. of Shares held :

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

I / We hereby record my/our presence at the 23rd Annual General Meeting of the Company held at Science City, Seminar Hall, J B S Haldane Avenue, Kolkata - 700 046 at 10.30 A.M. on Thursday, the 29th September, 2011.

NAME (S) OF THE MEMBER (S) (IN BLOCK LETTERS)
NAME OF THE PROXY (IN BLOCK LETTERS)
SIGNATURE OF THE MEMBER (S) / PROXY

Notes :

- 1) Please complete and sign the Attendance Slip and handover at the entrance of the meeting hall.
- 2) Only Member or their Proxies with this Attendance Slip will be allowed entry to meeting.

* Applicable for Investors holding shares in electronic form

UNIORTH LIMITED

Registered Office : Uniworth Centre, 70A, Shakespeare Sarani, Kolkata - 700 017

DP ID No. * :	Reg. Folio No. :
Client ID No. * :	No. of Share held :

PROXY FORM

I / We _____ of _____ being a member / members of UNIORTH LIMITED hereby appoint _____ of _____

_____ or failing him / her _____ of _____ as my / our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company held at Science City, Seminar Hall, JBS Haldane Avenue, Kolkata - 700 046 at 10.30 A.M., on Thursday, the 29th September, 2011 and at any adjournment thereof.

Dated this _____ day of _____, 2011

Signature _____

Please
Affix
Revenue
Stamp

Notes :

- 1) The Form should be signed across the stamp as per specimen signature registered with the Company.
- 2) The proxy form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the aforesaid meeting.
- 3) A proxy need not be a Member.

* Applicable for Investors holding shares in electronic form

BOOK POST

If undelivered, please return to :

UNIWORTH LIMITED

'Uniworth Centre'

70A, Shakespeare Sarani

Kolkata - 700 017