



UNI WORTH
TEXTILES
LIMITED

DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2019-20

To

The Members,

Your Directors have pleasure in presenting their 28th Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2020.

FINANCIAL HIGHLIGHTS

During the year under review, financial performance of your Company was as under:

	31st March 2020 (Rs. In Lakh)	31st March 2019 (Rs. In Lakh)
Sales	-	-
Profit/(Loss) before Interest and Depreciation & before prior period adjustment	(53.11)	59.22
Previous year Adjustment & Extra Ordinary Income	-	5.14
Profit/(Loss) before Interest and Depreciation	(53.11)	54.08
Less: Finance Cost	1046.43	1010.86
Profit / (Loss) before Depreciation	(1099.54)	(956.78)
Less: Depreciation	42.64	43.16
Profit / (Loss) before Tax	(1142.18)	(999.94)
Provision for Taxation	-	-
Profit /(Loss) after Tax	(1142.18)	(999.94)
Other Comprehensive Income	1.14	(3.48)
Net Profit / (Loss) after tax for the year	(1141.04)	(1003.42)
Add : Balance b/f from previous year	(32020.84)	(31017.42)
Balance carried to Balance Sheet	(33161.88)	(32020.84)

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK:

The Company's plants at Raipur and Nagpur continue to be under closure due to acute financial distress. The Company was registered as sick industrial undertaking by BIFR, however, with the introduction of Insolvency & Bankruptcy Code, 2016, BIFR and AAIFR have been abolished. During the pendency of proceedings before BIFR, the secured creditor by assignment had taken symbolic possession of the secured assets followed by actual physical possession of the secured assets situated at Nagpur. The secured creditor by assignment has agreed to sell the secured assets of the Company situated at Nagpur to a buyer and the company is exploring the possibilities and modalities of suitable resolution.. However, in the meantime ARCIL has filed a Petition under Section 7 of IBC, 2016 which has been rejected by National Company Law Tribunal (NCLT), Kolkata.

BUSINESS OUTLOOK :

The inherent strengths of the textile industry have seen the textile industry through rough days and hard times. The World trading system have endangered the stability of the textile industry and created an atmosphere of uncertainty and turbulence in the industry. But it is also a fact that turbulence is necessary for any change in the system. In a World that is fast losing its traditional boundaries and borders are becoming invisible, there is need to bring about technological improvement, structural changes, liberalisation from controls and regulations, increased productivities of labour and machine and reliable quality assurance systems. If there is insecurity inherent in the globalised economy, there is also opportunity - opening up of vast markets to Indian textiles and Indian clothing that were earlier closed or regulated and Indian textile industry is ready to take up this opportunity of free trade and secure its well deserved position in the international textile arena.



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The Economic crisis is continuing to affect the order situation adversely. The on-going competition with China is also making it difficult to generate fresh business. Although China is the number one apparel export country, and the Chinese-made fabrics are still not satisfactory in respect of color, texture, quality etc. To be more competitive in the domestic market, the management is pursuing with the Government Authorities for De-bonding of our processing unit.

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

No material changes affecting the financial position of the company occurred between the end of the financial year to which this financial statements relate on the date of this report.

CHANGES IN SHARE CAPITAL:

During the Financial Year 2019-20, there have been no changes in the share capital of the Company.

DISCLOSURE REGARDING ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS:

The Company has not issued any Equity Shares with differential Rights during the financial year.

DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTIONS:

The Company has not issued any Employee Stock Options during the financial year.

DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES:

The Company has not issued any Sweat Equity Shares during the financial year.

DIVIDEND:

In view of huge accumulated losses, the Directors regret their inability to recommend any dividend for the Financial Year 2019-20.

DEPOSITS:

Your Company has not accepted any deposit within the meaning of deposits, covered under Chapter V of the Companies Act, 2013.

FIXED DEPOSITS:

The Company did not accept/renew any fixed deposits from public and no fixed deposits were outstanding or remained unclaimed as on March 31, 2020.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting
- iv. fraud and other irregularities;
they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively except deficiencies in operating effectiveness in respect of old outstanding of trade receivables, advances to parties and some old creditors for expenses;
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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The Pandemic "COVID-19" spread has severely impacted business around the world including India. There has been severe disruption in regular business operations due to lockdown and emergency measures taken by the Government. The Management has made a detailed assessment of the impact of COVID-19 pandemic and the resultant lockdown on the significant uncertainties involved in developing some of the estimates involved in preparation of the financial statements including but not limited to its assessment of liquidity and going concern, recoverable values of its property, plant and equipment and the net realisable values of other assets. Based on information available as of this date, Management believes that no further adjustments are required to the financial statements.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Kamal Sharma (DIN: 02946513) is liable to retire by rotation and being eligible, offers himself for re-appointment and the same is proposed for approval at the ensuing AGM.

During the year under review, there have been no changes in the Constitution of the Board.

Ms. Priti Mohta, Company Secretary was resigned w.e.f 08.11.2019 from the Company.

DECLARATION BY INDEPENDENT DIRECTOR:

Pursuant to Section 149(7) of the Companies Act, 2013, Independent Directors of the Company have made a declaration confirming the compliance of the conditions of the independence stipulated in Section 149(6) of the Act.

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 forms part of the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

Related party transactions that were entered during the financial year were on arm's length basis and in the ordinary course of business. There were no materially significant related party transactions which were in conflict with the interest of the Company.

SUBSIDIARY COMPANIES

The Company does not have any subsidiary company.

AMOUNTS TRANSFERRED TO RESERVES:

In view of huge accumulated losses and current year's losses, your Directors were unable to transfer any amount to the General Reserve Account.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details pertaining to conservation of energy, technology, absorption, foreign exchange earnings and outgo are provided as Annexure I, which forms part of this report.

RISK MANAGEMENT POLICY:

In terms of Section 134 (3) (n) of the Act, the Board of Directors has adopted a comprehensive risk management policy which includes identification of element of risk, its mitigation and other related factor. The Board periodically reviews the same. In view of Paragraph 4.1 of SEBI Circular CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014, no Risk Management Committee has been constituted since it is not covered by the requirements of the above-mentioned Paragraph.

CORPORATE SOCIAL RESPONSIBILITIES

The provisions of Section 135 of the Act in connection with Corporate Social Responsibility are not applicable to the Company since the Company falls below the threshold limits.



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BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act. The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc. The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the board as a whole and elected Chairman of the each meeting was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

- The Nomination and Remuneration Committee as specified u/s 178 of the Companies Act, 2013 was formed with a view to reviewing and making recommendations on annual salaries, performance, commissions, perquisite and other employment conditions of Executives and Officials. The Committee's 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 under review the Nomination and Remuneration Committee met on 13.08.2019, details of the meeting have been given in Corporate Governance Report, which forms part of this report.
- The following are the members of the Committee at present:

Name	Designation *	Executive/Non-Executive/Independent
Mr. Rajveersingh Baboosingh Jadon	Chairman	Non- Executive & Independent
Mr. Vivek Chaudhary	Member	Non- Executive & Independent
Mr. Kamal Sharma	Member	Non- Executive & Non-Independent

RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES:

The information as required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available. In terms of Section 136 (1) read with its relevant provisions of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the Members of the Company and others entitled thereto. The said information shall be kept open for inspection at the Registered Office of the Company on every working day of the Company between 10 a.m. to 12 noon up to the date of the forthcoming 28th Annual General Meeting.

POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES:

The Company recognizes the fact that there is a need to align the business objective with the specific and measurable individual objectives and targets.

The remuneration policy of the company can be accessed to its website at <http://uniworthtextiles.com/other-policies/>

CORPORATE GOVERNANCE REPORT:

A Report on Corporate Government together with a Certificate from the Auditors on compliance thereof required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto and forms a part of this report.



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MANAGEMENT DISCUSSION ANALYSIS REPORT:

The Management Discussion and Analysis Report for the year under review, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations' 2015 with the Stock Exchanges in India, is presented in a separate section which forms part of the Annual Report.

NUMBER OF BOARD MEETINGS:

During the Financial Year 2019-20, the Board of Directors of the company met 5 (Five) times details of the meetings has been given in the Corporate Governance Report, which forms part of this report.

AUDIT COMMITTEE:

The Details pertaining to composition of Audit Committee are included in the Corporate Governance Report, which forms part of this report.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Details pertaining to composition of Stakeholders Relationship Committee are included in the Corporate Governance Report, which forms part of this report.

RECEIPT OF ANY COMMISSION BY MD / WTD FROM A COMPANY OR FOR RECEIPT OF COMMISSION / REMUNERATION FROM ITS HOLDING OR SUBSIDIARY:

No receipt of any commission by MD/WTD from a Company has been made.

AUDITORS REPORT:

The observations made by Auditors in their Auditor's Report with reference to notes to financial statements are self explanatory and need no comments, forms part of this report.

STATUTORY AUDITORS:

M/s. Khandelwal Ray & Co., Chartered Accountant, (Firm Registration Number 302035E), were appointed as Statutory Auditors of the Company by the members at the 25th Annual General Meeting held on 23.09.2017 for a period of 5 consecutive years till the conclusion of 30th Annual General Meeting of the Company to be held in the financial year 2022-23.

INTERNAL AUDITORS:

The Company has appointed M/s. Sakshi Aggarwal & Co., Chartered Accountants, as an Internal Auditors of the Company for the financial year 2020-21.

SECRETARIAL AUDITORS:

In terms of Section 204 of the Companies Act 2013, the Board of Directors at their meeting held on 31st July, 2020, have appointed M/s K K Sangneria & Associates, Practicing Company Secretaries, as Secretarial Auditor, for conducting Secretarial Audit of the Company for the Financial Year 2020-21. Report of the Secretarial Auditor for the financial year ended 31.03.2020 is given as "Annexure II" which forms part of this report.

EXTRACT OF ANNUAL RETURN:

The extract of Annual Return, in format MGT -9, for the Financial Year 2019-20 has been enclosed with this report as "Annexure III".

DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:

No significant & material order has been passed by the Regulators or Courts or Tribunal in any case.

STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The company has adequate internal control procedures commensurate with the size, scale and complexity of its operations, which are well supplemented by surveillance of Internal Auditors.

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The company has filed suit for enforcement of specific performance of the Agreement on the same line as in the case of major lenders. The company has disputed the claims of the lenders/ creditors being unsustainable. All compliances with the stock exchanges are updated and in respect of the status of the company being shown as "Suspended" by BSE Limited and the Calcutta Stock Exchange Limited, the company has taken up the matter with both the exchanges as the company is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DISCLOSURE ON ESTABLISHMENT OF A VIGIL MECHANISM

In pursuant to the provision of section 177(9) & (10) of the Companies Act, 2013, The Company has formulated a Whistle Blower Policy to establish a vigil mechanism for Directors and employees of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The Whistle Blower Policy is available on the website of the Company i.e. www.uniworthtextiles.com

HEALTH, SAFETY AND ENVIRONMENT PROTECTION

The Company has complied with all the applicable environmental law and labour laws. The Company has been complying with the relevant laws and has been taking all necessary measures to protect the environment and maximize worker protection and safety.

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.

POLICY ON PREVENTION OF SEXUAL HARASSMENT

The company is committed to provide a safe and conducive work environment to its employee and has formulated "Policy for Prevention of Sexual Harassment".

During the financial year ended 31st March, 2020, the Company has not received any complaints pertaining to Sexual Harassment.

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.

FRAUD REPORTING

There was no fraud reported by the Auditors of the Company under Section 143(12) of the Companies Act, 2013, to the Audit Committee or The Board of Directors during the year under review.

PARTICULARS OF EMPLOYEES:

During the period under review, no employee of the Company drew remuneration in excess of the limits specified under the provisions of Section 197(12) of the Companies Act, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and hence no disclosure is required to be made in the Annual Report.

ACKNOWLEDGEMENT:

Your Directors acknowledge with gratitude the co-operation and assistance received from the Central and State Government, Financial Institutions, Banks, Shareholders and others during the year under review.

On Behalf of the Board

Place : Kolkata

Date : 1st September, 2020

Bahadur Ram Mallah

Executive Director

DIN: 08035016

Kamal Sharma

Director

DIN: 02946513