



CORPORATE GOVERNANCE REPORT FOR THE YEAR 2019-20

The Corporate Governance Report for the year ended 31st March, 2020, forms part of Director's Report and the same has been prepared on the basis of the clause C of the Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

1. Company's Philosophy on Code of Corporate Governance:

The Company believes that Corporate Governance is the combination of voluntary practices and compliance with the laws and regulations of the Companies 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. The Company's Philosophy on Code of Governance is intended to bring about:

- Transparency, accountability and integrity in the organization.
- Implementation and policies and procedures Prescribed by the Company to ensure high ethical standards in all its business activities and responsible and responsive management.

The Company confirms the practice of good Corporate Governance codes by the company in true spirit and is pleased to present below the Report on Corporate Governance.

2. Board of Directors:

- i. As on March 31, 2020, the Company has five directors. Out of the five Directors, four (i.e. 80.00%) are non-executive directors including two Independent Directors. The composition of the board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.
- ii. None of the directors on the board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2020 have been made by the directors. None of the directors are related to each other.
- iii. Independent directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.
- iv. The names and categories of the directors on the board, their attendance at board meetings held during the year and the number of directorships and committee chairmanships / memberships held by them in other public companies as on March 31, 2020 are given herein below. Other directorships do not include directorships of private limited companies, Section 8 companies and of companies incorporated outside India. Chairmanships / memberships of board committees shall include only audit committee and stakeholders' relationship committee.

Name of Directors	Category	Number of Board Meetings during the year 2019-20		Whether attended last AGM held on September 30, 2019	Number of directorships in other Public Companies		Number of Committee positions held in other public companies	
		Held	Attended		Chairman	Member	Chairman	Member
Mr. Bahadur Ram Mallah	Non Independent, Executive	5	5	No	-	-	2	1
Ms. Chanchal Ashok Khandelwal	Non Independent, Non- Executive	5	1	No	-	-	-	1



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Name of Directors	Category	Number of Board Meetings during the year 2019-20		Whether attended last AGM held on September 30, 2019	Number of directorships in other Public Companies		Number of Committee positions held in other public companies	
		Held	Attended		Chairman	Member	Chairman	Member
Mr. Kamal Shama	Non Independent, Non- Executive	5	5	Yes	1	3	2	4
Mr. Rajveersingh Baboosingh Jadon	Independent, Non- Executive	5	5	No	-	3	4	1
Mr. Vivek Chaudhary	Independent, Non- Executive	5	5	No	-	1	0	8

- v. 5 (Five) board meetings were held during the year and the gap between two meetings did not exceed one hundred twenty days. The dates on which the said meetings were held:
30.05.2019, 13.08.2019, 03.09.2019, 11.11.2019 and 11.02.2020
The necessary quorum was present at all the meetings.
- vi. During the year 2019-20, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- vii. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.
- viii. During the year, one meeting of the Independent Directors was held on 11.02.2020. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.
- ix. The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company.
- x. The details of the familiarization programme of the Independent Directors are available on the website of the Company www.uniworthtextiles.com
- xi. 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 required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time.

3. Audit Committee

- i) The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act.
- ii) The terms of reference of the Audit Committee are broadly as under :-
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 - Recommend the appointment, remuneration and terms of appointment of auditors of the Company;
 - Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
 - Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the director's responsibility statement to be included in the board's Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management



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- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Examination of the financial statement and the auditors' report thereon;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern; To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
- To review the functioning of whistle blower mechanism.
- Approval of appointment of CFO;
- The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
- The audit committee shall review the information required as per SEBI Listing Regulations.
- Carrying out any other function as is mentioned in the terms of reference of the audit committee;
- Major accounting entries involving estimates based on the exercise of judgment by management
To mandatorily review the following information:
 - ▶ Management discussion and analysis of financial condition and results of operations;



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- ▶ Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - ▶ Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - ▶ Internal audit reports relating to internal control weaknesses; and
 - ▶ The appointment, removal and terms of remuneration of the chief internal auditor.
- iii) The audit committee invites executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the secretary to the audit committee.
- iv) The previous annual general meeting (AGM) of the Company was held on September 30, 2019 and it was attended by the Chairman of the audit committee.
- v) The Composition of the Committee and the attendance of each member of the Committee during the year 2019-20 are given below: -

Name	Category	Profession	Number of meetings held	Number of meetings attended
Mr. Vivek Chaudhary	Chairman/ Independent, Non- Executive	Professional	4	4
Mr. Bahadur Ram Mallah	Non Independent, Executive	Service	4	4
Mr. Rajveersingh Baboosingh Jadon	Independent, Non- Executive	Professional	4	4

- vi) During the year 2019-20, 4 (Four) meetings of the Audit Committee were held and the gap between two meetings did not exceed four months.

The dates of the meetings are following: 30.05.2019, 13.08.2019, 11.11.2019 and 11.02.2020

4. Nomination and Remuneration Committee:

- i. The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act.
- ii. The broad terms of reference of the nomination and remuneration committee are as under:
 - 1 Recommend to the Board the setup and composition of the Board and its committees, including the "formulation of the criteria for determining qualifications, positive attributes and independence of a director."
The committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
 - 1 Recommend to the Board the appointment or reappointment of directors.
 - 1 Devise a policy on Board diversity.
 - 1 Recommend to the Board appointment of Key Managerial Personnel ("KMP" as defined by the Act) and executive team members of the Company (as defined by this Committee).



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- Carry out evaluation of every director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors. This shall include "Formulation of criteria for evaluation of Independent Directors and the Board". Additionally the Committee may also oversee the performance review process of the KMP and executive team of the Company.
 - Recommend to the Board the Remuneration Policy for directors, executive team or Key Managerial Personnel as well as the rest of the employees.
 - On an annual basis, recommend to the Board the remuneration payable to the directors and oversee the remuneration to executive team or Key Managerial Personnel of the Company.
 - Oversee familiarization programmes for directors.
 - Oversee the Human Resource philosophy, Human Resource and People strategy and Human Resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the Board, Key Managerial Personnel and executive team).
- iii) The composition and attendance of the members at the Meetings of Remuneration Committee during the year 2019-20 were as under:

Name	Category	Number of meetings held	Number of meetings attended
Mr. Rajveersingh Baboosingh Jadon	Chairman/ Independent, Non- Executive	1	1
Mr. Vivek Chaudhary	Independent, Non- Executive	1	1
Mr. Kamal Sharma	Non Independent, Non- Executive	1	1

During the year 2019-20, 1 (one) Meetings of the Nomination and Remuneration Committee was held on 13.08.2019.

- iv. The Company does not have any Employee Stock Option Scheme.
- v. Performance Evaluation Criteria for Independent Directors:
The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.

5. Remuneration of Directors:

The Company pays a token remuneration to its Executive Director in view of current and accumulated losses.

Details of Remuneration paid/payable to Executive Directors Remuneration for the year ended 31st March, 2020 is as follows:

(Amount in lakh)

Name of Director	Salary	Allowance	Perquisites	Total
Mr. Bahadur Ram Mallah	1.20	-	-	1.20



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6. Stakeholders Grievance Committee:

- i. The stakeholders' grievance committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act.
- ii. The broad terms of reference of the stakeholders' grievance committee are as under:
 - ¹ Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice / annual reports, etc. and all other securities-holders related matters.
 - ¹ Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.
- iii. During the year 4 (Four) meetings of the Stakeholder grievance committee was held on 12.04.2019, 05.07.2019, 14.10.2019 and 10.01.2020.
- iv) The composition and attendance of the members in the following Committee Meetings during the year 2019-20 were as under :

Name of the Director	Number of meetings held	Number of meetings attended
Ms. Chanchal Ashok Khandelwal	4	-
Mr. Vivek Chaudhary	4	4
Mr. Kamal Sharma	4	4

- v) No Share transfer Meeting held during the year 2019-20.
- vi) Compliance Officer:
Mr Bahadur Ram Mallah is the Compliance Officer of the Company and her contact details are given below:
Mr Bahadur Ram Mallah
Compliance Officer
Uniworth Textiles Limited
Rawdon Chambers
11A Sarojini Naidu Sarani
4th Floor, Unit 4B
Kolkata - 700 017
Phone: (033) 40061301
- vii) Details of investor complaints received and redressed during the year 2019-20 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
1	1	2	0

7. General Body Meetings:

- i) Annual General Meeting

Financial Year	Date	Time	Venue
2016-17	23.09.2017	11:30 A.M.	Science City, Seminar Hall JBS Haldane Avenue, Kolkata - 700 046
2017-18	29.09.2018	11:30 A.M.	
2018-19	30.09.2019	11:15 A.M.	



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i) 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) 40116739
E-mail : rta@cbmsl.com

(j) (1) Distribution of Shareholding as on 31st March, 2020

Slab of Equity Shares held	No. of Shareholders	%	No. of Equity Shares	%
1-500	93305	97.51	8228966	36.05
501-1000	1771	1.85	1316861	5.77
1001-2000	430	0.45	612137	2.68
2001-3000	87	0.09	219595	0.96
3001-4000	27	0.03	93275	0.41
4001-5000	19	0.02	86838	0.38
5001-10000	35	0.04	232516	1.02
10001-50000	9	0.01	165587	0.73
50001-100000	3	0.00	182975	0.80
100001-Above	4	0.01	11686250	51.20
Total	95690	100.00	22825000	100.00

(2) Categories of Shareholders as on 31st March, 2020

Categories	Number of Equity Shares	Amount in (Rs.)	%
Promoters, Directors, Relatives and Associated Companies	11922000	119220000	52.23
Financial Institutions / Banks	1000	10000	0.00
Mutual Funds /UTI	400	4000	0.00
Foreign Institutional Investors	2525	25250	0.01
Overseas Corporate Bodies	4500	45000	0.02
Non - Resident Indians	1738095	17380950	7.62
Other Bodies Corporate	162282	1622820	0.71
Public	8994198	89941980	39.41
Total	22825000	228250000	100.00



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k) Dematerialisation of Shares and Liquidity :

13177390 Equity Shares (57.73% of Total Shares) are in the Dematerialised Form as on 31st March, 2020. 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 **INE486C01019**.

l) Share Transfer System:

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

m) Outstanding GDRs/ADRs/Warrants : Not Applicable

n) Plant Location : 1) B-129 MIDC, Butibori
Nagpur, Maharashtra

2) Urla Growth Centre
Raipur, Chattisgarh

o) Investor Correspondence : Mr Bahadur Ram Mallah
Uniworth Textiles Limited
Rawdon Chambers
11A, Sarojini Naidu Sarani
4th Floor, Unit 4B
Kolkata - 700 017
Phone : (033) 40061301 / 40726028
Email:uniworthtextileslimited@gmail.com

10. Other Disclosures:

- a) Related Party transactions have been disclosed under Note No. 36 to the accounts for year under review and it is not conflict with the interest of the Company. All material transactions entered into with related parties as defined under the Act and Regulation 23 of SEBI Listing Regulations during the financial year were in the ordinary course of business. These have been approved by the audit committee. 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 large. The Register of Contracts, in which Directors are interested, was placed before the Board regularly.
- b) The Company has complied with all the mandatory requirements of SEBI (LODR) Regulations, 2015 with the Stock Exchanges as well as regulations and guidelines of SEBI, wherever applicable except the following:
 - i) Company Secretary was not appointed since 08.11.2019, consequent upon resignation of Ms. Priti Mohta Company Secretary with effect from 08.11.2019
 - ii) Listing Fees has not been paid to the Calcutta Stock Exchange Limited for the year 2019-20.
- c) The Company has put in place a Whistle Blower Policy to provide an open and transparent working environment and to promote responsible and secure whistle blowing system for directors and employees of the Company to raise concern. No person has been denied access to the Audit Committee to lodge their Grievances.
- d) 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.



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- e) No presentation were made to Institutional Investors and Analysts during the year.
- f) The Company does not have any subsidiary.
- g) Your Company has followed all relevant Accounting Standards while preparing the Financial Statements.
- h) Certificate from Practicing Company Secretary on non-disqualification of Directors:
A Certificate from practicing company secretary that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board Ministry of Corporate Affairs or any such statutory authority is annexed as "ANNEXURE IV".
- i) Reconciliation of share capital audit:
A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.
- j) Code of Conduct
The members of the board and senior management personnel have affirmed the compliance with Code applicable to them during the year ended March 31, 2020. The annual report of the Company contains a certificate by the Executive Director in terms of SEBI Listing Regulations on the compliance declarations received from Independent Directors, Non-executive Directors and Senior Management.
- k) 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 formulated. In addition, Risk Management issues are generally discussed in the Audit Committee.
- l) **CEO/CFO Certification:**
The Executive Director and Chief Financial Officer, 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;



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- (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.
- m) Brief Profile and other informations of the Directors proposed to be appointed / re-appointed (including those retiring by rotation) at the ensuing Annual General Meeting are given in the Notice relating thereto the shareholders.

DISCLOSURE OF CODE OF CONDUCT

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to inform that all Board Members and Senior Management Personnel have affirmed their compliance of the 'Code of Conduct for members of the Board and Senior Management' for the period from 1st April, 2019 to 31st March, 2020 in terms of Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same has been posted on the Company's website i.e. www.uniworthtextiles.com.

Place : Kolkata

Date : 1st September, 2020

Bahadur Ram Mallah

Executive Director

DIN: 08035016

