



UNI WORTH  
TEXTILES  
LIMITED

## MANAGEMENT DISCUSSION & ANALYSIS REPORT FOR THE YEAR ENDED 31.03.2020

### Industry Structure & Development

The Indian economy started the fiscal year 2019-20 with a slowing GDP growth of 5.2% in the first quarter compared to 7.1% for first quarter of the previous year. The GDP further contracted with a sharp slow-down in domestic demand coupled with stress in the non-banking financial sector and a decline in credit growth. Growth further eased to 4.4% during the second quarter followed by 4.1% in the third quarter.

Other factors of slowdown in the global economy (as per IMF World output growth rate for year 2019 was 2.9% compared to 3.6% in year 2018), falling trade intensity, and uncertainty over USA-China trade conflicts also posed as major obstacles for growth of domestic GDP until first three quarters of the year 2019-20. Quarter four of fiscal year 2019-20 started witnessing the unprecedented turbulence across the World with the outbreak of Covid-19 "A Pandemic". For quarter four, GDP growth was reported at 3.1% and for the year 2019-20, GDP growth rate was reported at 4.2% compared to 6.1% for 2018-19. Major factors remain lower Industrial and service Industry growth along with increased impact of Covid-19 on economy starting from March, 2020

### Opportunities and Threats

Growth in the textile sector largely depends on consumer spending, and consumer spending has been affected during the fiscal year 2019-20 with perceived economic condition and consumer credit availability. India is the world's second largest exporter of textiles and clothing. Increased penetration of organised retail, favourable demographics, and rising income level are likely to drive demand for textiles.

During the year 2019-20 until 9MFY20, China vacated some space in the global textiles market on account of the increased trade dispute with USA, strong domestic demand and the Covid-19 breakout during the second half of FY20. However, Bangladesh and Vietnam stood to benefit the most.

The threats to the Company are lack of financial resources to start operations, severe competition both in domestic and international markets, extremely volatile input costs and thin margins.

### Segment wise Performance

The Company's business activities fall within a single primary segment of Textile Fabrics, viz. Wool/Poly-wool.

### Financial Performance

Turnover of the Company during the year was Rs. NIL as against Rs. NIL in the previous year. The turnover has been NIL due to situation of closure in Nagpur and Raipur Unit compared to the previous year. Loss before interest, depreciation and taxes was Rs.53.11 Lakh.

### Operations, Management Discussion and Analysis

The Company continues to witness crisis in Textile markets and closure of units in Nagpur and Raipur has resulted in NIL Turnover in the current year as against Rs. NIL in the previous year. However, the Company's effort is to revive the units of Nagpur and Raipur.

### Business Outlook

The American and European Economic crisis is continuing to affect the order situation. The Company is tapping new markets in Japan and Middle-East countries. The on-going competition with China is also making it difficult to generate fresh business in countries where China was making its presence felt in big way. To be more competitive in the domestic market, the management is pursuing with the government authorities for De-Bonding of its processing Unit.

### Risk & Concerns

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



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## Internal Control System

The Company has adequate system of internal controls to ensure that all assets are safeguarded and protected against loss and that all transactions are authorized, recorded and reported correctly. The systems are designed to support the reliability of the financial and other records for preparing financial statements and other data. The Statutory Auditors also discuss their comments and findings with the management as well as with the audit committee. The Company has also regularly placed before the Board, Internal Audit Reports, Financial Results with Provisional Balance Sheets, Performance Review Report of various Units together with Executive Summary, Current Workings and all Current matters of commercial importance and various other information as generally required under the various Stock Exchange Listing Agreements.

## Human Resources

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

## Cautionary Statement

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



Value  
Research

On Behalf of the Board

Bahadur Ram Mallah

**Executive Director**

DIN: 08035016

Kamal Sharma

**Director**

DIN: 02946513

Place : Kolkata

Date : 1st September, 2020