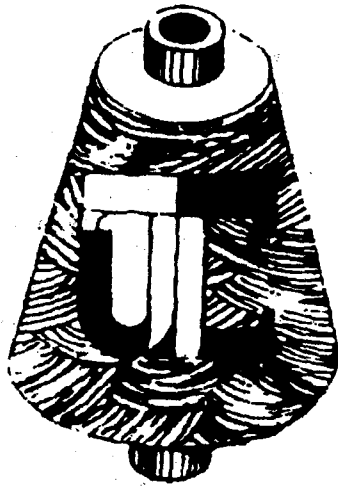


NINETEENTH ANNUAL REPORT 2011-2012



UNITED TEXTILES LIMITED

REG. OFFICE & WORKS: 7TH K.M. STONE BARWALA ROAD, HISAR-125001 (HARYANA), INDIA
PHONE: (O) 01662-275478, Tele Fax : 01662-276182 ● Email: unitedtextilesLtd@gmail.com
CORPORATE OFFICE: DEVI BHAWAN ROAD, HISAR-125001 PH. 01662-232078

BOARD OF DIRECTORS

Sh. Sushil Kumar Aggarwal
Whole Time Director

Sh. Arun Kumar Aggarwal
Executive Director

Smt. Shalini Aggarwal

Sh. Hans Raj Gupta

Sh. Ashok Kumar Aggarwal

AUDITORS

M/s N. C. Aggarwal & Co.
Chartered Accountants

BANKER

Oriental Bank of Commerce

REGISTERED OFFICE & WORKS

**7th K.M. Stone, Barwala Road,
Hisar-125001 (Haryana)**

CORPORATE OFFICE

**Devi Bhawan Road,
Hisar-125001 (Haryana)**

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UNITED TEXTILES LIMITED

NOTICE

Notice is hereby given that the NINETEENTH ANNUAL GENERAL MEETING of the Shareholders of UNITED TEXTILES LIMITED will be held on Saturday the 29th September, 2012 at 11:00 A.M. at Regd. Office at 7th K.M. Stone, Barwala Road, Hisar to transact the following business:

ORDINARY BUSINESS

1. To review, consider and adopt the Balance Sheet as at 31st March 2012 and Profit and Loss Account for the Year ended on that date along with the report of Auditors and Directors thereon.
2. To appoint a Director in place of Smt. Shalini Aggarwal who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sh. Hans Raj Gupta 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 & if thought fit to pass with or without modification the following resolution as an ordinary resolution.

"RESOLVED that pursuant to the provisions of section 198, 269, 309, 311 read with schedule XIII and other applicable provisions if any. of the Companies Act. 1956 & such sanctions as may be necessary. the company hereby approves the re-appointment of Sh. ARUN KUMAR AGGARWAL as Executive Director of the Company for a period of 5 years with effect from 1st April. 2012 on the remuneration. and perquisites to be paid in the manner as set out hereunder:

(a) Salary Rs. 20000/- per month

(b) PERQUISITES:

The perquisites in category A Category B and Category C will be restricted to an amount equivalent to the annual salary.

CATEGORY A

- i) Reimbursement of Medical expenses actually incurred for self & family, the total cost of which to the company shall not exceed one month's salary per year or three month's salary in the period of three years.
- ii) Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the company.
- iii) Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- iv) The annual premium of personal accident insurance which does not exceed Rs.1000/-

CATEGORY B

Contribution to Provident Fund. Superannuation fund or annuity fund, will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under Income Tax Act. Gratuity payable will not exceed half months salary for each completed year of service and up to maximum allowed under Income Tax Act, 1961.

UNITED TEXTILES LIMITED

CATEGORY C

- 1) Free use of Company car with driver for the business of the company. Use of car for private purpose shall be billed by the company.
- ii) Free Telephone facility at residence, all personal long distance calls shall be billed the company.

The above remuneration payable to him shall be subject to the limits of 5% and 10% of the net profits of the company, as the case may be as laid down in section. 309 (3) of the Companies Act. 1956 and the over all limit of 11% of the profits of the company as laid down in section 198 (1) of the said Act.

In the event of inadequacy or absence of profits under Section 349 and 350 of the said Act in any financial year, the aforesaid remuneration shall be paid to the Executive Director by way of minimum remuneration subject to approvals as may be required.

He shall also be entitled to reimbursement of expenses actually and properly incurred by him for the business of the company. He shall not be paid any sitting fees for attending the meetings of the Board of Directors or committee thereof. He shall be liable to retire by rotation as a director.

For and On Behalf of the Board
For UNITED TEXTILES LIMITED

(Sushil Kumar Aggarwal)
Whole Time Director

Regd. Office

7th K.M. Stone, Barwala Road,
Hisar - 125001

Dated: - 1st September, 2012

NOTES:

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy and vote instead of him/herself and such proxy need not be a member of the company. A proxy form is attached herewith.
2. The proxy from (s) duly completed and signed should reach the company's registered office at 7th K.M. Stone, Barwala Road, Hisar at least 48 hours before the time fixed for the meeting.
3. The Register of Members and Share Transfer Book of the company will remain closed from Thursday the 4th October 2012 to Friday the 5th October 2012 (Both days inclusive).

UNITED TEXTILES LIMITED

4. Members are requested to intimate to the company, change in their addresses, if any, at the registered office of the company.
5. Information as required under Clause 49 of the Listing Agreement with respect to the Directors seeking appointment/re-appointment is as under:-

- a) **Brief Particulars of Smt. Shalini Aggarwal proposed to re-appointment as Director.**
Smt. Shalini Aggarwal retires by rotation at the Annual General Meeting & being eligible offers herself for re-appointment. She has joined the board of Directors in the year 2005. She is literate, energetic & inherited the business skill within the family. The re-appointment of Smt. Shalini Aggarwal would be beneficial to the Company. She is not a Director in any other Company.

As on 31/03/2012 she holds 35, 500 Equity Shares of Rs. 10/- each in the Company.

- b) **Brief Particulars of Sh. Hans Raj Gupta proposed to re-appointment as Director.**
Sh. Hans Raj Gupta retires by rotation at the Annual General Meeting & being eligible offers himself for re-appointment. He has joined the Board of Director in the year 2005. He is a retired Senior Manager of a Bank having more than 35 years experience in Finance & Accounts. The re-appointment of Sh. Hans Raj Gupta would be beneficial to the Company. He is not a Director In any other Company.

As on 31/03/2012 he holds NIL Equity Shares of Rs. 10/- each in the Company.

- c) **Brief Particulars of Sh. Arun Kumar Aggarwal proposed to re-appointment as Executive Director.**

Sh. Arun Kumar Aggarwal retires as Executive Director on 31.03.2012 . The Board proposes for the reappointment of him as Executive Director w.e.f. 01.04.2012. He has joined the board of Directors in the year 1997. He is undergraduate & has vast experience in Spinning Industry. The re-appointment of Sh. Arun Kumar Aggarwal would be beneficial to the Company. He is not a Director in any other Company.

As on 31/03/2012 he holds 1,06,600 Equity Shares of Rs. 10/- each in the Company.

ANNEXURE TO THE NOTICE :

Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956.

ITEM NO. 5

Sh. Arun Kumar Aggarwal was originally appointed as Executive Director w.e.f. 1-4-1997, the term of which after subsequent extensions has last expired on 31-3-2012. The Board of Directors has proposed re-appointment of him as Executive Director w.e.f. 1-4-2012 on the terms & condition set out in resolution. His re-appointment shall bless the board with his wide experience in Spinning Industry. The company has been benefited immensely by his presence.

The remuneration of Sh. Arun Kumar Aggarwal was approved by the Remuneration Committee. The remuneration is within the ceiling contained in Para A of Section II of Part II of the said Schedule.

UNITED TEXTILES LIMITED

Further as per section 198,269,309 & 311 the permission of Shareholders in Annual General Meeting is necessary for the re-appointment as Executive Director Therefore the Resolution is commended for your acceptance.

Sh.Sushil Kumar Aggarwal. Whole Time Director Smt. Shalini Aggarwal.Director & Sh.Arun Kumar Aggarwal himself may be deemed to be concerned or interested in the resolution to the extent of appointment & remuneration as Executive Director No other Director is directly or indirectly interested in the resolution. The above Memorandum of Interest should be considered as a disclosure US 302 of the Companies Act. 1956.

DIRECTORS REPORT:

To the Members

Your Directors have great pleasure in presenting the NINETEENTH ANNUAL REPORT together with the Audited Statement of Accounts of your Company for the year ended 31st March, 2012.

FINANCIAL RESULTS:

	Current Year <u>(2011-2012)</u>	(Rs. In Lacs) Previous Year <u>(2010-2011)</u>
Sales & Operational Income	729.44	551.28
Other Income	<u>37.98</u>	<u>13.67</u>
	<u>767.42</u>	<u>564.95</u>
Profit before Tax & Dep.	18.38	20.17
Provision for Depreciation	(15.75)	(17.84)
Provision for Income Tax	<u>(0.51)</u>	<u>(0.42)</u>
Profit After Tax	2.12	1.91

OPERATION:

The Turnover of the company has increased by 32% But Profit after Tax is higher by only 11% as compared to previous year. However, In the ensuing year the performance of the Company seems to be more encouraging.

MANAGEMENT DISCUSSION & ANALYSIS

The Spinning Yam Industry is a lifeline in Textile Business of India. The majority of employment in India is absorbed by Textile Industry. Keeping in view of its importance the Govt. has constituted a separate Department under Textile Ministry. The Govt. has also constituted a Technology upgradation Fund (TUF) by which concessional Loan / subsidy is granted by Govt. through its various nodal agencies for upgradation in technology.

The main Raw Material is cotton, which is based on Agricultural production of Cotton. The Production is dependent on Monsoon. In Indian climatic condition the monsoon is always an unpredictable factor. Sometimes there is heavy rainfall & sometime the drought situation is created, which affects the production of Cotton to a great extent creating heavy fluctuation in raw material prices. However, the company have some what managed situation & earned profit during the year.

UNITED TEXTILES LIMITED

PARTICULARS OF EMPLOYEES

During the year there was no employee in respect of whom information as per section 217 (2A) of the Companies Act, 1956 is required to be given in the Director's Report.

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

As required by the companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earning and outgo are given in annexure forming part of this report.

FIXED DEPOSIT:

The Company has not accepted any deposit within the meaning of section 58-A of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975.

LISTING OF SECURITIES:

The Securities of the Company is listed on Stock Exchanges at Mumbai. The Listing Fees have been paid up to 31-03-2012.

INSURANCE

All the properties and insurable interests of the company including Building, Plant & Machinery and Stock wherever necessary and to the extent required have been properly insured.

DIRECTORS' RESPONSIBILITY STATEMENT:

- (i) That in the preparation of the annual accounts, the applicable accounting standards had been followed.
- (ii) That the directors had selected such accounting policies and applied them consistently and made judgement 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 year :
- (iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) That the directors had prepared the annual accounts on a going concern basis.

AUDITORS' REPORT:

The points stated in the Auditors Report are self explanatory & needs no comments.

DIRECTORS:

In accordance with the requirement of the Companies Act, 1956 and the Articles of Association of the Company Smt. Shalini Aggarwal & Sh. Hans Raj Gupta retires by rotation and being eligible offer himself for re-appointment.

CORPORATE GOVERNANCE

The Corporate Governance Report is annexed herewith alongwith Auditor's Certificate.

AUDITORS:

The term of present Auditors of the company M/s N.C. Aggarwal & Co. Chartered Accountants, Hisar expires at the conclusion of the ensuing Annual General Meeting and they are eligible for re-appointment.

UNITED TEXTILES LIMITED

ACKNOWLEDGEMENT:

Yours Directors express their sincere appreciation for all around assistance, co-operation and guidance from the Banker Oriental Bank of Commerce and State & Central Govt. Authorities.

For and on Behalf of the Board

(Sushil Kumar Agarwal)
Whole Time Director

(Arun Kumar Agarwal)
Executive Director

Regd. Office:

7th KM., Stone, Barwala Road,
Hisar - 125001

Dated: - 1st September, 2012

ANNEXURE TO THE DIRECTORS' REPORT

The Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 under Section 217 (1) (e) of the Companies Act, 1956.

A. CONSERVATION OF ENERGY:

- i. Power factor has been maintained above 0.9 by proper choice of capacitors as per the requirement of load.
- ii. Motors have been installed of optimum capacity.
- iii. Power load is distributed on D.G. Sets at optimum level.
- iv. We have installed changeover switches to interchange the various machine on D.G. Sets.

B. TECHNOLOGY ABSORPTION:

- i. Efforts in brief made towards Technology absorption, adoption and innovation. Continous efforts are made to get optimum production as per designed capacity of machines. This helps in increasing productivity and reduction in cost.
- ii. Benefits derived as a result of above efforts:
The benefits although achieved but can not be stated in financial tems.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange used : NIL
Foreign Exchange earned : NIL

FORM A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Current Year (2011-2012)	Previous Year (2010-2011)
A. Power & Fuel Consumption:		
1. Power		
a. Purchased		
(i) Units (KWH)	13,16,384	10,82,904
(ii) Total Amount (Rs.)	68,30,132	52,90,910
(iii) Rate/Unit Rs. KWH	5.19	4.89
b. Thought Diesel Generator		
i) Units (KWH)	93,835	1,95,618
ii) Total Amount (Rs.)	11,46,910	20,02,860
iii) Cost/Unit	12.22	10.24
2. Steam Coal	NIL	NIL
3. Furnace Oil	NIL	NIL
4. Other/Internal Generations	NIL	NIL
5. Fuel	NIL	NIL

UNITED TEXTILES LIMITED

B. CONSUMPTION PER UNIT OF PRODUCTION
Cotton Yarn / M. T.

1023 Units

1126 Units

For and on Behalf of the Board

(Sushil Kumar Aggarwal)
Whole Time Director

(Arun Kumar Aggarwal)
Executive Director

Regd. Office:

7th K.M. Stone, Barwala Road, HISAR-125001

Dated: -1st September, 2012

Corporate Governance Report for the Financial Year 2011-2012

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

Your Company's philosophy on corporate governance envisages the alignment of the highest levels of transparency, accountability and equity, in all facts of its operations and in all its interactions with its stakeholders including shareholders, employees, government and lenders. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders value, over a sustained period of time.

2. Board of Directors:

The Board of United Textiles Limited consists of Five Directors during the financial year 2011-12. Sh. Hans Raj Gupta being Chairman & Non Executive Director, as per Listing Agreement the Company should have at least one third independent Directors. There is no Institutional nominee Director on the Board.

The detail of Composition and Categories of Directors are given in Table below:-

<u>Sr. No.</u>	<u>Name of the Director</u>	<u>Category</u>
01	Sh. Hans Raj Gupta	Chairman Independent & Non Executive Director
02	Sh. Sushil Kumar Aggarwal	Whole Time Director
03	Sh. Arun Kumar Aggarwal	Executive Director
04	Sh. Ashok Kumar Aggarwal	Independent and Non-Executive Director
05	Smt. Shalini Aggarwal	Non-Executive Director

Board Procedure:

The details of the meetings of the Board and Audit Committee held during the financial year 2011-2012 are given in Table below :-

(i) Board of Directors Meeting:-

<u>Date of Meeting</u>	<u>Total Members</u>	<u>Attendance by No. of Members</u>
29/04/2011	5	3
30/07/2011	5	3
01/09/2011	5	4
31/10/2011	5	3
30/01/2012	5	3

(ii) Audit Committee Meetings:-

30/05/2011	3	3
16/08/2011	3	3
15/11/2011	3	3
14/02/2012	3	3

The details of attendance of each Director at the Board and Audit Committee Meetings held during the Financial Year 2011-2012 and details of number of outside directorship held by each of the Directors are given in Table below:-

UNITED TEXTILES LIMITED

Sr. No.	Name of Director	Attendance at Board Meetings	Attendance at Audit Committee Meeting	Attendance at Last AGM	Outside Directorship
1	Sh. Hans Raj Gupta	1	4	Yes	--
2	Sh. Sushil Kumar Aggarwal	5	—	Yes	--
3	Sh. Arun Kumar Aggarwal	5	4	Yes	--
4	Smt. Shalini Aggarwal	5	—	Yes	--
5.	Sh. Ashok Kumar Aggarwal	—	4	No	--

3. Audit Committee

The Current Audit Committee has three members viz. Sh. Hans Raj Gupta as Chairman, Sh. Ashok Kumar Aggarwal, as a Member & Sh. Arun Kumar Aggarwal, as a Member. The terms of reference of the Audit Committee, covers the area mentioned in clause 49 of the Listing Agreement of the Stock Exchange and Section 292 A of the Companies Act, 1956.

4. Remuneration Committee:

The Remuneration Committee has three members viz. Sh. Ashok Kumar Aggarwal, as Chairman, Sh. Hans Raj Gupta, as Member & Smt. Shalini Aggarwal as Member. Details of the remuneration paid to Executive Director during the financial year ending 31st March 2012 is given below:-

	<u>Salary Paid</u>	<u>Service Tenure</u>
Sh. Arun Kumar Aggarwal	240000	upto 31-3-2012

The Company does not have any Stock Option Scheme.

5. Share Transfer & Shareholders / Investors Grievances Committee:

The Board of Directors has delegated the power of approving transfer of securities and other related formalities to the Registrar & Share Transfer Agent M/s Indus Portfolio Private Limited, G-65, Bali Nager, New Delhi – 110015. The Committee under consideration comprises of Sh. Arun Kumar Aggarwal as Chairman and Sh. Hans Raj Gupta as Member & Smt. Shalini Aggarwal as a Member. The committee looks into the grievances of the shareholders concerning transfer of shares and non receipt of annual report and recommend measure for expeditious and effective investor services. The total numbers of letters received and replied to the shareholders during the year 2011-2012 were 2 and no complaint was outstanding as on 31st March, 2012.

6. General Body Meetings:

Last Three Annual General Meetings of the Company were held at the Registered Office of the Company at 7th K.M.Stone, Barwala Road, Hisar – 125 001 (Hry.) as detailed below:-

<u>Year</u>	<u>Date</u>	<u>Time</u>	<u>Detail of Special Resolution</u>
2008-2009	Wednesday 30/09/2009	11.00 A.M.	NIL
2009-2010	Thursday 30/09/2010	11.00 A.M.	Resolution U/s 314(1) for appointment of Sh.Vivek Aggarwal
2010-2011	Friday 30/09/2011	11.00 A.M.	NIL

No special Resolution was put through postal ballot last year.

7. Disclosures:

(a) Disclosures regarding materially significant related party transactions

None of the transactions with any of the related parties were in conflict with the interest of the company.

(b) Disclosures of non-compliance by the Company

The Company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock exchanges or SEBI or any other statutory authorities relating to the above.

UNITED TEXTILES LIMITED

8. **Means of Communication:**
The quarterly results of the company were published during the year under review in National Newspaper in English & Hindi Language.

Management Discussion and Analysis Report forms part of this Annual Report.

9. **General Shareholder information:**

a) **Annual General Meeting**

Date : Saturday, 29th September 2012
Time : 11.00 A.M.
Venue : 7th K.M. Stone, Barwala Road, Hisar-125001

b) **Financial Year :**

The financial year of the company is 1st April to 31st March.

c) **Book Closure :**

The Dates of Book Closure is from 4th October, 2012 to 5th October, 2012 (both days inclusive.)

d) **Listing on Stock Exchange & Stock Code:**

The Securities of the company are listed on under mentioned stock Exchange given in table below:

Name of the Stock Exchange	Stock code
Bombay Stock Exchange Ltd. Mumbai.	521188

e) **Share Transfer System:**

The company's shares are traded in Stock Exchange compulsorily in demat mode. The company has transferred 1,400 shares in F.Y. 2011-2012 and no shares are pending for transfer.

f) **Distribution of Shareholding:**

The Distribution of Shareholding as on 31st March, 2012 given in table below:-

No. of equity Shares held	Total Holders	% of Share Holder	No. of Shares	% of Share Holding
Up to 5000	4275	97.71	1541019	51.37
5001 to 10000	66	1.51	444999	14.83
10001 to 20000	23	0.52	359429	11.98
20001 to 30000	1	0.02	29200	0.97
30001 to 40000	3	0.07	119449	3.98
40001 to 50000	3	0.07	143500	4.78
50000 to 100000	2	0.05	130400	4.35
100000 and above	2	0.05	232004	7.74
TOTAL	4375	100	3000000	100

Categories of Shareholders as on 31st March, 2012 given in table below:-

Category	No. of Share	% of Shareholdings
Indian Promoters	1197390	39.91
Private Corporate Bodies	126718	4.22
Indian Public	1675892	55.87
Others	---	---
TOTAL	3000000	100

g) **Dematerialisation of Shares and Liquidity:**

The company's shares are traded in Stock Exchange compulsorily in demat mode. NSDL and CDSL have allotted ISIN No. INE 727E 01012 for Dematerialisation of Shares. Total 16,20,175 Shares are in Electronic Form and 13,79,825 shares are in Physical Form as on 31/03/2012.

h) **Plant Location:**

Hisar Unit
7th K.M. Stone, Barwala Road, Hisar-125 001 (Haryana)

i) **Address for Correspondence:-**

Regd. Office and Works:
United Textiles Limited 7th K.M. Stone, Barwala Road, Hisar-125001
Registrar and Transfer Agent
Indus Portfolio Private Limited, G-65, Bali Nagar, New Delhi-110015

j) **Compliance Officer**

The name and designation of the compliance officer of the Company is Mr. Sunder Singh, Account Officer.

k) **Compliance:**

Compliance certificate obtained from the Auditors is attached to this report.

UNITED TEXTILES LIMITED

Auditor's Certificate on Corporate Governance

To,

The Members of United Textiles Limited

We have examined the compliance of conditions of corporate governance by United Textiles Limited (the Company) for the year ended 31st March 2012 as stipulated in Clause 49 of the Listing Agreement of the company with the Stock Exchanges. The Compliance of conditions of corporate governance is the responsibility of the management our examination was limited to processors 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 financials statements of the company.

In our opinion and to the best of our information and according to the explanations given to us we certify that complied with the condition of corporate governance as stipulated in the above mentioned Listing Agreements.

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Share Transfer cum investors Grievance Committee.

We further 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 company.

For N.C. Aggarwal & Co.
Chartered Accountants

(G.K.Aggarwal)
Partner

PLACE HISAR
Dated: -1st September, 2012

UNITED TEXTILES LIMITED

Auditors' Report

TO

THE SHAREHOLDERS OF,
UNITED TEXTILES LIMITED.

We have audited the attached Balance Sheet of UNITED TEXTILES LIMITED as at 31st March 2012, and also the Statement of 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 an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 principles 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.

We report that-

- A) As required by the Companies (Auditor's Report) order 2003 and the related amendment to Companies (Auditors Report) 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 in the Annexure hereto, a statement on the matters specified in paragraphs 4 and 5 of the said Order, so far as applicable to the Company.
- B) Further to our comments in Annexure referred to in paragraph (A) above, we also report that:
- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, the Company has kept proper books of accounts as required by law so far as appears from our examination of books.
 - (c) The Balance Sheet, Statement of Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account of the company.
 - (d) In our opinion, the Balance Sheet and Profit and Loss Account comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (e) In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on 31st March, 2012 from being appointed as directors in terms of clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

For N.C.AGGARWAL & CO.,
Chartered Accountants
Firm Registration No. 003273N

(G.K. AGGARWAL)
Partner
M. No. 086622

Place: New Delhi
Dated: 1st September, 2012

UNITED TEXTILES LIMITED

ANNEXURE TO AUDITORS' REPORT

REFERRED TO IN PARAGRAPH (A) IN OUR REPORT OF EVEN DATE FOR THE YEAR ENDED 31.03.2012.

1. The Company has maintained all proper records showing full particulars including quantitative details and situation of fixed assets. The management has carried out a physical verification of most of its fixed assets during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such verification, between the physical balances and the fixed asset records, were not material and have been properly dealt with in the books of account. In our opinion, the Company has not disposed off substantial part of fixed assets during the year.
2.
 - a) The management has conducted physical verification of inventory at reasonable intervals during the year.
 - b) According to the information and explanations given to us, the procedures of physical verification of stocks 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 inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed during physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of account.
3.
 - a) As informed to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956, Paragraph 4 (iii) (b), (c) and (d) of the order, are therefore not applicable.
 - b)
 - (i) The Company has not taken interest free unsecured loan from a parties listed in the register maintained under section 301 of the Companies Act, 1956. The Maximum amount involved during the year in respect of said company and the year end balance of such loan is Rs. 2,67,800/-.
 - (ii) In our opinion and according to information and explanations given to us, the rate of interest and other terms and conditions on which loan has been taken are not, prima facie, prejudicial to the interest of the Company.
 - (iii) In respect of the aforesaid loan, the amount (principal as well as interest) is repayable on demand; the Company is regular in repaying the amounts as and when demanded.
4. In our opinion and according to information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of audit, no major weakness has been noticed in the internal control in respect of these areas.
5. a) In our opinion and according to the information and explanations given to us, there are no particulars of contracts or arrangements required to be entered into the register maintained under Section 301 of the Companies Act, 1956.
 - b) In our opinion and according to the information and explanations given to us, as there are no particulars of contracts or arrangements required to be entered into the Register maintained under Section 301 of the Companies Act, 1956, paragraph 4(v) (b) of the order is not applicable.

UNITED TEXTILES LIMITED

6. The Company has not accepted any deposits from public and consequently the provisions of Section 58A of the Companies Act, 1956 and the rules framed thereunder are not applicable.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. We have broadly reviewed the books of account maintained by the company in respect of the products where the maintenance of cost records has been prescribed under section 209(1)(d) of the Companies Act, 1956. We are of the opinion that prima-facie the prescribed accounts and records have been maintained. We have not, however made a detailed examination of the records.
- 9 a) Undisputed statutory dues including Sales Tax and service tax, have not been regularly deposited with the appropriate authorities in time. However, there were delays in deposit of Provident Fund and Employees State Insurance. The amount of Cess for Rs.10995/- is outstanding for a period of more than six months from the date it become payable.

b) According to the information and explanation given to us, no disputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, service tax and Cess were outstanding as at the last day of the financial year concerned for a period of more than six months.
10. As at 31st March, 2012 the Company's accumulated losses is not more than fifty percent of net worth. The company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
11. According to the information and explanation given to us, the Company has not defaulted in repayment of dues to the financial institution and banks.
12. According to the information and explanations 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.
13. According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks.
14. In our opinion and according to information and explanations given to us, term loans have been applied for the purpose for which the loans were obtained.
15. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
16. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956, during the year.
17. No debentures are outstanding in the books of the Company.
18. The Company has not raised funds by Public issue during the year.
19. During the course of our examination of the books and records of the Company, and according to the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For N.C.AGGARWAL & CO.,
Chartered Accountants
Firm Registration No. 003273N

(G.K. AGGARWAL)
Partner
M. No. 086622

Place: New Delhi
Dated: 1st September, 2012

UNITED TEXTILES LIMITED

Balance Sheet as at 31st March, 2012

Particulars		Note No	As at 31st March 2012	As at 31st March 2011
I.	EQUITY AND LIABILITIES			
(1)	Shareholders Funds			
	(a) Share Capital	1	30,000,000	30,000,000
	(b) Reserves and Surplus	2	(6,599,820)	(6,811,168)
(2)	Non-current liabilities			
	(a) Long-term borrowings	3	51,035	267,958
	(b) Long-term provisions	4	258,420	245,930
(3)	Current liabilities			
	(a) Short-term borrowings	5	8,206,512	7,309,270
	(b) Trade payables	6	1,604,116	1,288,226
	(c) Other current liabilities	7	1,342,551	1,168,320
	(d) Short-term provisions	8	81,341	56,699
	TOTAL EQUITY AND LIABILITIES		34,944,156	33,525,235
II.	ASSETS			
(1)	Non-current assets			
	(a) Fixed Assets	9		
	(i) Tangible assets		8,923,245	10,863,013
	(ii) Capital work-in-progress		670,318	670,318
	(b) Long-term loans and advances	10	576,485	576,485
(2)	Current assets			
	(a) inventories	11	19,959,052	17,410,565
	(b) Trade receivables	12	3,895,727	2,621,940
	(c) Cash and Bank Balances	13	441,790	592,516
	(d) Short-term loans and advances	14	454,805	790,398
	(e) Other Current Assets	15	22,734	-
	TOTAL ASSETS	Total	34,944,156	33,525,235

See accompanying notes to the financial statements 24

In terms of our report of even date annexed hereto

For N.C. AGGARWAL & CO.

Chartered Accountants

Firm Regn No. 003273N

G.K. AGGARWAL

Partner

M.No.086622

SUSHIL KUMAR AGGARWAL

Whole Time Director

PLACE : New Delhi

DATED : 1st September, 2012

ARUN KUMAR AGGARWAL

Executive Director

UNITED TEXTILES LIMITED

Statement of Profit And Loss for the year ended 31st March, 2012

Particulars		Note No.	Year ended 31st March 2012	Year ended 31st March 2011
(I)	Revenue from operations (Gross)	16	72,943,855	55,127,744
	Less :- Excise Duty		-	-
	Revenue from operations (Net)		72,943,855	55,127,744
(II)	Other income	17	3,797,981	1,367,426
(III)	Total Revenue (I+II)		76,741,836	56,495,170
(IV)	Expenses:			
	Cost of materials consumed	18	62,122,386	40,372,962
	Changes in inventories of finished goods, work in progress and Stock-in-trade	19	(728,500)	(617,589)
	Employee benefits expense	20	1,576,155	1,586,786
	Finance costs	21	880,755	1,122,515
	Depreciation and amortization expense	22	1,575,006	1,783,828
	Other expenses	23		
	Manufacturing Expenses		9,873,653	10,980,588
	Office & Administration Expenses		929,462	882,659
	Selling and distribution expenses		96,091	79,115
	Miscellaneous Expenses		154,151	71,507
	Total Expenses		76,479,158	56,262,371
(V)	Profit before exceptional and extraordinary items and tax (III-IV)		262,678	232,799
(VI)	Extraordinary Item (Previous Year Depreciation Adjustment)		-	(13,392,313)
(VII)	Profit before tax		262,678	(13,159,514)
(VIII)	Tax expense:			
	(1) Current tax		51,000	42,000
	(2) Deferred tax		-	-
(IX)	Profit (Loss) for the year after taxation (VII-VIII)		211,678	(13,201,514)
(X)	Earnings per equity share			
	(1) Basic		0.07	0.06
	(2) Diluted		0.07	0.06

See accompanying notes to the financial statements 24

In terms of our report of even date annexed hereto

For N.C. AGGARWAL & CO.

Chartered Accountants

Firm Regn No. 003273N

G.K. AGGARWAL

Partner

M.No.086622

SUSHIL KUMAR AGGARWAL

Whole Time Director

PLACE: New Delhi

DATED : 1st September, 2012

ARUN KUMAR AGGARWAL

Executive Director

UNITED TEXTILES LIMITED

Notes forming Part of Balance Sheet and Statement of Profit & Loss

DESCRIPTION		As at 31.03.2012	As at 31.03.2011
1	SHARE CAPITAL		
(a)	AUTHORISED CAPITAL		
	32,50,000 Equity Shares of Rs. 10/- Each	32,50,000	32,50,000
		32,50,000	32,50,000
(b)	ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
	30,00,000 Equity Shares of Rs. 10/- Each	30,00,000	30,00,000
(c)	RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD		
	Shares outstanding at the beginning of the year	3,00,000	3,00,000
	Shares outstanding at the end of the year	3,00,000	3,00,000

(d) Details of Shareholders holding more than 5% shares in the Company

S.No.	Name of the Shareholders	% of Shareholding as on 31.03.2012	% of Shareholding as on 31.03.2011
		NIL	NIL

(e) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

NIL	NIL
-----	-----

TERMS/RIGHTS ATTACHED TO EQUITY SHARES

The Company has only one class of equity shares having a par value of 10/- per equity share. Each equity shareholder is entitled to one vote per share.

DESCRIPTION		As at 31.03.2012	As at 31.03.2011
2	RESERVES AND SURPLUS		
(a)	SURPLUS-PROFIT AND LOSS ACCOUNT		
	Profit Brought Forward	(6,81,168)	6,39,346
	Add:- Profit after tax for the year	211,678	(13,201,514)
	Less:- Previous Year Tax Adjustment	(300)	-
	Total Reserves and Surplus	(6,599,820)	(6,811,168)

DESCRIPTION		As at 31.03.2012	As at 31.03.2011
3	LONG-TERM BORROWINGS		
A	SECURED LONG-TERM BORROWINGS		
(a)	TERM LOAN FROM BANKS		
	OBC Bank-Vehicle Loan	51,035	267,958
	TOTAL LONG TERM BORROWINGS	51,035	267,958

A Vehicle loan from OBC Bank of Rs. 6.00lacs (Disbursed amount) carries interest range from 13.5% p.a.. The loan is secured against hypothecation of vehicles. The loan is repayable in FY 2013-14 Rs. 27958/-

UNITED TEXTILES LIMITED

Notes forming Part of Balance Sheet and Statement of Profit & Loss

	DESCRIPTION	As at 31.03.2012	As at 31.03.2011
4	LONG TERM PROVISIONS		
	For Employee Benefits		
	Gratuity (unfunded)	258,420	245,980
	Total Long Term Provisions	258,420	245,980

	DESCRIPTION	As at 31.03.2012	As at 31.03.2011
5	SHORT TERM BORROWINGS		
A	SECURED SHORT TERM BORROWINGS		
	Working Capital Demand Loan from Bank	7,988,712	7,041,470
B	UNSECURED SHORT TERM BORROWINGS		
	Loan from Director	267,800	267,800
	Total Short Term Borrowings	8,206,512	7,309,270

a Working Capital Facility is secured by way of hypothecation of stock and book debts of the Company namely finished good, raw material, work in progress, consumable stores and spares, book debts, bill receivables and by way of First charge in respect of other moveable and immoveable properties of the Company. Working Capital Facility is repayable on demand any time during sanction tenure and carries interest @ 12% p.a.

	DESCRIPTION	As at 31.03.2012	As at 31.03.2011
6	TRADE PAYABLES		
	Sundry Creditors		
	Dues to other than Micro and Small enterprises	1,604,116	1,288,226
	TOTAL TRADE PAYABLES	1,604,116	1,288,226

	DESCRIPTION	As at 31.03.2012	As at 31.03.2011
7	OTHER CURRENT LIABILITIES		
a)	Current Maturities of Long Term debts	216,923	189,962
c)	Statutory Dues	123,003	23,319
d)	Other payable:		
	Other Outstanding Liabilities-Expenses Payable	1,002,636	965,039
	Total Other Current Liabilities	1,342,551	1,168,320

	DESCRIPTION	As at 31.03.2012	As at 31.03.2011
8	SHORT TERM PROVISIONS		
a)	For Employee Benefits		
	Gratuity (unfunded)	30,341	9,384
b)	Others		
	Provision for Tax	51,000	47,315
	Total Short Term Provisions	81,341	56,699

UNITED TEXTILES LIMITED

UNITED TEXTILES LTD.

AS ON 31ST MARCH, 2012

Notes-" 9"

FIXED ASSETS

(Amount in Rs.)

DESCRIPTION OF ASSETS	Rate of Dep.	GROSS BLOCK				DEPRECIATION					NET BLOCK	
		As on 01.04.2011	Additions	Sales/ Adjustment	As on 31.03.2012	Upto 31.03.2011	Effect of change of depreciation method	During the Year	Sales/ Adjustment	Upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
Land		627,316	-	-	627,316	-	-	-	-	-	627,316	627,316
Factory Shed & Building	10.00%	5,953,103	-	-	5,953,103	4,879,776	-	107,333	-	4,987,109	965,994	1,073,327
Plant and Machinery	13.91%	60,140,763	-	850,630	59,290,133	54,349,384	-	799,261	773,790	54,374,855	4,915,278	5,791,379
Electric Installation	13.91%	5,485,288	-	-	5,485,288	3,883,016	-	222,876	-	4,105,892	1,379,396	1,602,272
Furniture and Fixtures	18.10%	111,556	-	-	111,556	108,618	-	532	-	109,150	2,406	2,938
Office Equipments etc.	13.91%	499,749	27,250	-	526,999	413,344	-	13,195	-	426,539	100,460	86,405
Vehicles	25.89%	3,031,895	-	760,521	2,271,374	1,352,519	-	431,811	445,349	1,338,981	932,393	1,679,376
TOTAL		75,849,670	27,250	1,611,151	74,265,769	64,986,657	-	1,575,006	1,219,139	65,342,524	8,923,245	10,863,013
Plant and Machinery(WIP)		670,318	-	-	670,318						670,318	
PREVIOUS YEAR		74,702,771	1,669,101	522,202	75,849,670	50,156,539	13,392,313	1,783,828	346,023	64,986,657	10,863,013	

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UNITED TEXTILES LIMITED

Notes forming Part of Balance Sheet and Statement of Profit & Loss

DESCRIPTION		31.03.2012	31.03.2011
10	Long-term loans and advances		
(a)	Security Deposits		
	Unsecured, Considered good	576,485	576,485
	Total Long Term Loans and Advances	576,485	576,485

DESCRIPTION		As at 31.03.2012	As at 31.03.2011
11	Inventories		
	Raw Materials	14,109,940	13,946,038
	Work in Progress	600,000	50,000
	Finished Goods	159,000	280,000
	Store and Spares	3,427,112	2,355,671
	Scrap	1,663,000	90,500
	Total Inventories	19,959,052	17,402,355

DESCRIPTION		As at 31.03.2012	As at 31.03.2011
12	Trade Receivables		
A	Outstanding Exceeding Six Months		
	Unsecured, Considered good	232,890	282,900
	Sub Total-Outstanding Exceeding Six Months	232,890	282,900
B	Outstanding Less than Six Months		
	Unsecured, Considered good	3,662,837	-
	Sub Total-Outstanding Less than Six Months	3,662,837	-
	Total Trade Receivables (A+B)	3,895,727	282,900

DESCRIPTION		As at 31.03.2012	As at 31.03.2011
13	Cash and Bank Balances		
A.	Cash and Cash Equivalents		
	Balances with Banks		
	Current Accounts	24,056	22,788
	Cash on Hand	417,735	397,388
	Total Cash and Cash Equivalents	441,790	525,176

UNITED TEXTILES LIMITED

Notes forming Part of Balance Sheet and Statement of Profit & Loss

	DESCRIPTION	31.03.2012	31.03.2011
14	Short-term loans and advances		
	Prepaid Taxes	59,708	32,645
	Prepaid Expenses	174,436	25,813
	Advance Recoverable in Cash or in kind		
	Unsecured, Considered good	220,666	731,940
	Total Short Term Loans and Advances	454,810	790,398

	DESCRIPTION	31.03.2012	31.03.2011
15	Other Current Assets		
	Interest Receivable	22,734	-
	Total Other Current Assets	22,734	-

	DESCRIPTION	Year ended 31.03.2012	Year ended 31.03.2011
16	Revenue from Operation		
	Sale of Product		
	Sales from Operations	72,777,388	55,023,829
	Other Operating Revenue		
	Miscellaneous Receipt/Sales	166,497	103,915
	Gross Revenue from Operation	72,943,885	55,127,744
(i)	SALES		
	i) Manufactured Goods		
	Cotton Yarn	68,057,638	50,459,700
	Scrap	4,726,730	4,564,129
	Grand Total	72,777,388	55,023,829

	DESCRIPTION	Year ended 31.03.2012	Year ended 31.03.2011
17	Other Income		
	Income Tax Refund	-	19,822
	Interest Income on Security Deposit	25,260	-
	Profit On Sale of Fixed Assets	668,160	23,821
	Hank Yarn Obligation Transfer	716,237	1,320,748
	Insurance Claim Received	101,837	-
	Profit on Trading Sale	2,286,487	-
	Miscellaneous Receipt	-	3,035
	Grand Total	3,797,981	1,367,426

UNITED TEXTILES LIMITED

Notes forming Part of Balance Sheet and Statement of Profit & Loss

	DESCRIPTION	Year ended 31.03.2012	Year ended 31.03.2011
18	Cost of Material Consumed		
	Raw Material Components	62,122,386	40,372,962
	Total	62,122,386	40,372,962

DETAIL OF RAW-MATERIAL CONSUMED			
	Waste Cotton	62,122,386	40,372,962
	Grand Total	62,122,386	40,372,962

	DESCRIPTION	Year ended 31.03.2012	Year ended 31.03.2011
19	Changes in inventories of finished goods, work in progress and Stock-in-trade		
	Opening Stock		
	Finished Goods- Manufactured	288,000	200,161
	Work in Progress	504,000	420,000
	Scrap	901,500	465,750
	Total Opening Stock	1,693,500	1,075,911
	Closing Stock		
	Finished Goods- Manufactured	159,000	288,000
	Work in Progress	600,000	504,000
	Scrap	1,663,000	901,500
	Total Closing Stock	2,422,000	1,693,500
	(Increase)/Decrease in Stock	728,500	617,589

	DESCRIPTION	Year ended 31.03.2012	Year ended 31.03.2011
20	Employee Benefits Expenditure		
	Salaries and Wages	1,384,604	1,354,272
	Contribution to provident and other funds	148,528	150,425
	Gratuity	33,447	61,319
	Staff Welfare Expenses	9,576	20,770
	Grand Total	1,576,155	1,586,786

	DESCRIPTION	Year ended 31.03.2012	Year ended 31.03.2011
21	Finance Cost		
	Interest Expenses		
	Term Loan- Vehicle Loan	50,038	65,779
	Working Capital	786,958	1,027,122
	Bank Interest	2,596	2,093
	Bank Charges	33,204	27,521
	Others-ESI Late Deposit	7,959	-
	GRAND TOTAL	880,755	1,122,515

UNITED TEXTILES LIMITED

Notes forming Part of Balance Sheet and Statement of Profit & Loss

DESCRIPTION		Year ended 31.03.2012	Year ended 31.03.2011
22	Depreciation		
	Depreciation on Fixed Assets	1,575,006	1,783,828
GRAND TOTAL		1,575,006	1,783,828

DESCRIPTION		Year ended 31.03.2012	Year ended 31.03.2011
23	Other Expenditure		
A	Manufacturing Expenses		
	Power and Fuel	7,977,042	7,293,770
	Repairs to machinery	25,235	14,180
	Consumption of Stores and Spare parts	1,489,254	2,903,508
	Packing Material	382,121	769,130
SUB TOTAL		9,873,653	10,980,588
B	Office & Administration Expenses		
	Insurance	144,753	134,385
	Legal and Professional	89,139	60,115
	Postage, Telegram, Telex and Telephone	92,981	114,687
	Printing & Stationary	26,659	20,582
	Vehicle Upkeep and Maintenance	147,007	143,143
	Auditor's Remuneration		
	Audit Fees	25,000	22,060
	Tax Audit Fees	5,000	5,515
	For Certification	-	1,000
	Fees and Subscription	43,407	45,932
	Computer Maintenance	84,000	84,000
	Annual Listing Fees	31,566	11,230
	Director's Remuneration	240,000	240,000
SUB TOTAL		929,462	882,659
C	Selling and distribution expenses		
	Commission On Sales	9,020	8,545
	Advertisement & Publicity	87,074	70,570
SUB TOTAL		96,091	79,115
D	Miscellaneous Expenses		
	Miscellaneous Expenses	78,979	71,507
	Loss on sale of Fixed Assets	75,172	-
SUB TOTAL		154,151	71,507
GRAND TOTAL (A+B+ C+D)		11,053,356	12,013,869

UNITED TEXTILES LIMITED

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SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1. ACCOUNTING POLICIES

- i) **BASIS OF PREPARATION OF FINANCIAL STATEMENTS**
- a) The financial statements are prepared under the historical cost convention as a going concern.
- b) The Company follows the mercantile system of Accounting and recognizes Income & Expenditure on Accrual basis. Accounting policies not specifically referred to otherwise are consistent and in consonance with the generally accepted accounting principles.
- ii) **SALES**
Sales are inclusive of excise duty, if any. However, goods produced after 7th July, 2004 is exempt from excise duty.
- iii) **FIXED ASSETS AND DEPRECIATION**
- a) **VALUATION OF FIXED ASSETS**
Fixed assets are stated at cost of acquisition inclusive of all incidental expenses related thereto.
- b) **DEPRECIATION**
Depreciation on all fixed assets have been provided on pro-rata basis on Written Down Value Method and at the rates specified in Schedule XIV of the Companies Act, 1956.
- iv) **INVENTORIES**
The method of inventories valuation has been adopted as follows:-
Raw Material, Stores and spares, finished goods is valued at lower of cost or net realisable value. Cost is determined on FIFO basis.
Work in Process is valued at estimated cost or net realisable value whichever is lower.
Cotton Waste is valued at estimated net realisable value.
Finished goods and Work in Progress includes cost of conversion and other overheads incurred in bringing the inventories to their present location and condition.
- v) **INVESTMENTS**
Long Term Investments are stated at cost. In case there is permanent diminution in the value of investments, provision for the same is made in the accounts.
- vi) **RETIREMENT BENEFITS**
Liability in respect of retirement benefits is provided and / or funded and charged to profit and loss account as follows:-
- a) Provident/Family Pension as a percentage, of salary/ wages for eligible employees.
- b) Gratuity is accounted for on accrual basis, on the basis of actuarial valuation.
- vii) **TAXATION**
- (a) Provision is made for income-tax liability estimated to arise on the results for the year at the current rate of tax in accordance with Income- Tax Act, 1961.
- (b) No Deferred tax assets has been created in view of the virtual certainty supported by enhancing evidence that sufficient taxable income will be available in the next year against which the deferred assets can be realized.
- viii) **CONTINGENT LIABILITIES**
Contingent Liabilities are not provided for in the accounts and are disclosed by way of note.
2. Internal Salaries and wages incurred during the year on repairs and maintenance have been charged directly to Salaries and wages, the separate amounts of which are not ascertainable.

3. Remuneration to Managing Director/
Whole Time Director

	For The Year Ended 31 st March, 2012	For The Year Ended 31 st March, 2011
(a) Salaries	2,40,000	2,40,000
	<u>2,40,000</u>	<u>2,40,000</u>

UNITED TEXTILES LIMITED

4. Other liabilities includes amount due to Director is Rs. 74400/- (Previous Year Rs. 39200/-).
5. In the opinion of the management the realisable value of current assets, loans and advances, in the ordinary course of business would not be less than the amount at which they are stated.
6. The balances in respect of some of the Sundry Debtors/ Creditors and other advances are subject to confirmation. The effect of the same in the opinion of the management, however not material, will be adjusted at the time of confirmation/reconciliation.
7. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

8 EMPLOYEE BENEFITS

Disclosures in accordance with Revised Accounting Standard (AS) - 15 on "Employee Benefits":

Disclosures required under Accounting Standard 15- "Employee Benefits" (Revised 2005)

I. Defined Contribution Plans	31.3.2011	31.3.2012
	Rs	Rs
Contribution to Employees' Provident Fund	87,692	85,486
Contribution to Employees State Insurance Fund	18,986	19,202

II Defined Benefit Plans	Rs	Rs
	Gratuity (Unfunded) 31.3.2011	Gratuity (Unfunded) 31.3.2012
A. Actuarial Assumptions		
Discount Rate (per annum)	8.00%	8.50%
Future salary increase	5.50%	6.00%
Expect return on plan assets	0.00%	0.00%
Mortality rate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.		
B. Reconciliation of present value of obligation	Rs	Rs
	Gratuity (Unfunded) 31.3.2011	Gratuity (Unfunded) 31.3.2012
Present value of obligation at the beginning of the year	193,995	255,314
Current Service Cost	47,671	48,881
Interest Cost	15,520	21,702
Actuarial (gain)/ loss	(1,872)	(37,136)
Benefits paid	-	-
Curtailments	-	-
Settlements	-	-
Present value of obligation at the end of the year	255,314	288,761
C. Reconciliation of fair value of plan assets	Rs	Rs
	Gratuity (Unfunded) 31.3.2011	Gratuity (Unfunded) 31.3.2012
Fair value of plan assets at the beginning of the year	-	-
Expect return on plan assets	-	-
Actuarial (gain)/ loss	-	-
Contributions	-	-
Benefits paid	-	-
Assets distributed on settlement	-	-
Fair value of plan assets at end of the year	-	-

UNITED TEXTILES LIMITED

Net (Asset)/Liability recognised in the Balance Sheet as at
D. year end

Present value of obligation at the end of the year	255,314	288,761
Fair value of plan assets at end of the year	-	-
Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	255,314	288,761

	Rs	Rs
	Gratuity (Unfunded)	Gratuity (Unfunded)
	31.3.2011	31.3.2012
E. Expenses recognised in the Profit and Loss Account		
Current Service Cost	47,671	48,881
Interest Cost	15,520	21,702
Expected return on plan assets	-	-
Actuarial (gain)/loss recognised in the period	(1,872)	(37,136)
Past Service Cost	-	-
Curtailments	-	-
Settlements	-	-
Total expenses recognised in the Profit and Loss Account for the year	61,319	33,447
Actual return on plan assets		-

The above disclosures are based on information certified by the independent actuary and relied upon by the auditors.

UNITED TEXTILES LIMITED

9 Segment Reporting :

Company operates in a Single Primary Segment (Business Segment) i.e. Cotton Yarn.
The Company does not have any Geographical segment.

10 Earning per Share (EPS) computed in accordance with Accounting Standard 20 "Earning Per Share"

Basic and Diluted:	Current Year	Previous Year
Profit/(Loss) after Tax (in Rs.)	211,678	190,799
No. of Share Issued	3,000,000	3,000,000
EPS(Basic and Diluted) (in Rs.)	0.07	0.06

11 Related Parties Transactions:

List of Related Parties & Relationship (As identified by the Management)

(A) Key Management Personnel & Their Relatives:

1. Sh Sushil Kr. Aggarwal	Whole-time Director
2. Sh Arun Kumar Aggarwal	Executive Director
3. Vivek Kumar Aggarwal	Relative Of Key Management Personnel
4. Smt. Natho Devi	Relative Of Key Management Personnel

(B) Transactions with related parties.

Description	Key Management Personnel & their Relatives	
	Current Year	Previous Year
Salary (Including Allowances)		
Arun Kumar Aggarwal	240,000	240,000
Vivek Kumar Aggarwal	240,000	240,000
Loan Repaid (Sushil Kr. Aggarwal)	-	1,032,200
Outstanding Balance as on 31.03.2012		
Unsecured Loan (Sushil Kr. Aggarwal)	267,800	267,800
Other Liabilities (Arun Kr, Aggarwal)	74,400	39,200

12 C.I.F. Value of Imports

Stores & Spares	Nil	Nil
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13 Consumption of Raw Material, Stores and Spares

	Current Year		Previous Year	
	Value (Rs.)	% age	Value (Rs.)	% age
<u>Raw Material</u>				
Imported	-	-	-	-
Indigenous	62,122,386	100	40,372,962	100
Total	62,122,386	100	47,827,074	100
<u>Stores and Spares</u>				
Imported	-	-	-	-
Indigenous	1,489,254	100	2,903,508	100
Total	1,489,254	100	2,903,508	100

14 Earning/Expenditure in Foreign Currency

	Nil	Nil
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UNITED TEXTILES LIMITED

The additional information pursuant to revised Schedule VI to the Companies Act, 1956 are either Nil or Not
15 Applicable.

The Financial Statements for the year ended 31st March, 2011 were prepared as per then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under
16 the Companies Act, 1956, the financial statements for the year ended 31st March 2012 are prepared in compliance with the Revised Schedule VI. Accordingly, the previous year figures have also been reclassified/regrouped to conform to current year's classification.

17 Signature to Notes 1 to 24

In terms of our report of even date annexed hereto

For **N.C. AGGARWAL & CO.**

Chartered Accountants

Firm Regn No. 003273N

G.K. AGGARWAL

Partner

M.No.086622

PLACE: New Delhi

DATED : 1st September, 2012

SUSHIL KUMAR AGGARWAL

Whole Time Director

ARIJN KUMAR AGGARWAL

Executive Director

UNITED TEXTILES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(As required by Clause 32 of the Listing Agreement)

DESCRIPTION	(Amount in Rs.)	
	Current Year 2011-12	Previous Year 2010-11
A. CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES		
Net profit (Loss) Before Tax and Extra		
Ordinary items	262,348	232,799
Add:		
Adjustment for Depreciation	1,575,006	1,783,828
Interest Income	(25,260)	-
Interest Charges	839,592	1,094,994
Profit on sale of fixed assets	(592,988)	(23,821)
Operating Profit before Working Capital changes	<u>2,058,698</u>	<u>3,087,800</u>
Adjustment for :		
Trade and other Receivable	(911,136)	4,594,065
Inventories	(2,548,487)	710,302
Trade Payable	496,608	(2,187,146)
	<u>(904,317)</u>	<u>6,205,021</u>
Advance Taxation/Income Tax Refund	(74,373)	4,025
Cash Inflow/(Outflow) from Operating Activities	<u>(978,690)</u>	<u>6,209,046</u>
B. Cash Inflow/(Outflow) Arising from Investing Activities		
Acquisition of Fixed Assets	(27,250)	(1,669,101)
Sale of Fixed Assets	985,000	200,000
Interest Income	2,526	
Net Cash Inflow/(Outflow) Arising from Investing Activities	<u>960,276</u>	<u>(1,469,101)</u>
C. Cash Inflow/(Outflow) Arising from Financing Activities		
Secured Loan/Repayment of Loan	707,280	(2,118,282)
Interest Paid	(839,592)	(1,094,994)
Unsecured Loan/ Repayment of Loan	-	(1,032,200)
Net Cash Inflow from Financing Activities	<u>(132,312)</u>	<u>(4,245,476)</u>
Net Increase(Decrease) in Cash & Cash Equivalent (A+B+C)	(150,726)	494,469
Add:		
Balance at the beginning of the year	592,516	98,046
Cash & Cash equivalent at the close of year	441,790	592,516

Signature to Annexure 'A' to 'Q'

(Sushil Kumar Aggarwal)
Whole Time Director

For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N

Place : HISAR

DATED : 1st September, 2012

(Arun Kumar Aggarwal)
Executive Director

(G.K. Aggarwal)
Partner
M.No. 86622

UNITED TEXTILES LIMITED

REGD. OFFICE: 7th K.M. STONE BARWALA ROAD, HISAR-125001

PROXY FORM

I/we _____
of _____
being a Member(s) of the above named Company hereby appoint _____
or failing him/her _____
of _____ or failing him/her _____
of _____ as my/our proxy to attend and vote for me/us and on
my/our behalf at the Annual General Meeting of the Company to be held on Saturday, the 29th
September, 2012 at 11.00 A.M. and at my adjournment thereof.

Signed this _____ day of _____ 2012

Ledger Folio No _____
Number of Shares held _____

Affix Re. 1
Revenue
Stamp

N.B. This proxy must be deposited at the Registered Office of the Company, not less than 48
hours before the meeting.



UNITED TEXTILES LIMITED

Regd. office: 7th K.M. Stone Barwala Road, HISAR-125001

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting held at 7th. K.M. Stone,
Barwala Road Hisar on Saturday 29 September, 2012 at 11:00 A.M.

1.	Full name of the Shareholder..... (In block letters)
2.	L.F. No.....
3.	No. of Shares held.....
4.	Signature of the Shareholder or Proxy attending.....

To be used only when shareholder First named is not attending

Please give full name of Joint Holder Mr./Mrs./Miss.....

Note :- Please fill in this attendance slip and handover at the ENTRANCE OF THE HALL

BOOK-POST

if undelivered please return to:

UNITED TEXTILES LIMITED

REGD. OFFICE: 7th K.M. Stone Barwala Road

HISAR:125001 (Haryana) INDIA