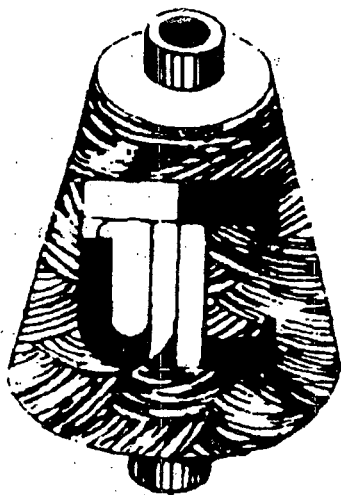


# SIXTEENTH ANNUAL REPORT 2008-2009



*Certified to be true by*  
**For United Textile Ltd.**

*[Signature]*  
**Director**

## UNITED TEXTILES LIMITED

REGD. OFFICE & WORKS: 7<sup>TH</sup> 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

**COST AUDITORS**

**M/s. H. TARA & CO.**  
Cost 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)**

**C O N T E N T S**

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# **UNITED TEXTILES LIMITED**

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## **NOTICE**

Notice is hereby given that the SIXTEENTH ANNUAL GENERAL MEETING of the Shareholders of **UNITED TEXTILES LIMITED** will be held on Wednesday the 30<sup>th</sup> September, 2009 at 11:00 A.M. at Regd. Office at 7<sup>th</sup> K.M. Stone, Barwala Road, Hisar to transact the following business:

### **ORDINARY BUSINESS**

1. To review, consider and adopt the Balance Sheet as at 31<sup>st</sup> March 2009 and Profit and Loss Account for the Year ended on that date alongwith 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 herself for re-appointment.
3. To appoint a Director in place of Sh. Hans Raj Gupta who retires by rotation and being eligible offers herself for re-appointment
4. To appoint Auditors and to fix their remuneration.

For and On Behalf of the Board  
For UNITED TEXTILES LIMITED

(Sushil Kumar Aggarwal)  
Whole Time Director

**Regd. Office**  
7<sup>th</sup> K.M. Stone, Barwala Road,  
Hisar - 125001  
Dated: - 2<sup>nd</sup> September, 2009

# **UNITED TEXTILES LIMITED**

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## **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 7<sup>th</sup> 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 **Saturday the 26th September 2009 to Wednesday the 30th September 2009 (Both days inclusive).**
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 31/03/2009 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 31/03/2009 he holds NIL Equity Shares of Rs. 10/- each in the Company.

# UNITED TEXTILES LIMITED

## DIRECTORS REPORT:

### To the Members

Your Directors have great pleasure in presenting the SIXTEENTH ANNUAL REPORT together with the Audited Statement of Accounts of your Company for the year ended 31<sup>st</sup> March, 2009.

### FINANCIAL RESULTS:

	<b>Current Year</b> <b>(2008-2009)</b>	<b>(Rs. In Lacs)</b> <b>Previous Year</b> <b>(2007-2008)</b>
Sales & Operation Income	895.95	769.51
Other Income	<u>1.65</u>	<u>2.88</u>
	<u>897.60</u>	<u>772.39</u>
Profit / (Loss) before Tax & Dep.	38.41	47.03
Provision for Depreciation	(35.14)	(35.03)
Provision for I Tax / FBT	<u>(0.75)</u>	<u>(1.82)</u>
Profit / (Loss) After Tax	2.52	10.18
Previous Years Profit / (Loss)	59.13	49.24
Previous Years Tax Adjustment	-----	<u>(0.28)</u>
	<u>61.65</u>	59.14
Transferred to / from General Reserve	-	-
Balance carried to Balance Sheet	<u>61.65</u>	<u>59.14</u>

### OPERATION:

Your company has earned a Cash Profit of Rs. 38.41 Lacs which is however, less as compared to previous year, but keeping in view of the prevailing adverse market conditions the performance of the Company may be stated as satisfactory.

### MANAGEMENT DISCUSSION & ANALYSIS

The Spinning Yarn 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 Moonsoon. In Indian climatic condition the moonsoon 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.

### 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



# **UNITED TEXTILES LIMITED**

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have been paid up to 31-03-2009.

## **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 retire by rotation and being eligible offer themselves 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.

## **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:**

7<sup>th</sup> K.M., Stone, Barwala Road,  
Hisar - 125001

Dated: - 2<sup>nd</sup> September, 2009

# UNITED TEXTILES LIMITED

## 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 terms.

### 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 (2008-2009)	Previous Year (2007-2008)
A. Power & Fuel Consumption:		
1. Power		
a. Purchased		
(i) Units (KWH)	13, 60,761	19, 42,615
(ii) Total Amount (Rs.)	60, 13,971	85, 07,306
(iii) Rate/Unit Rs. KWH	4.42	4.38
b. Thought Diesel Generator		
i) Units (KWH)	3, 15,363	4, 19,372
ii) Total Amount (Rs.)	23, 33,689	33, 97,745
iii) Cost/Unit	7.40	7.25
2. Steam Coal	NIL	NIL
3. Furnace Oil	NIL	NIL
4. Other/Internal Generations	NIL	NIL
5. Fuel	NIL	NIL
B. CONSUMPTION PER UNIT OF PRODUCTION		
Cotton Yarn / M.T.	934 Units	1532 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: —2<sup>nd</sup> September, 2009

# UNITED TEXTILES LIMITED

## Corporate Governance Report for the Financial Year 2008-2009

### 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 2008-09. 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 2008-2009 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>
28/04/2008	5	3
28/07/2008	5	3
27/08/2008	5	5
31/10/2008	5	3
30/01/2009	5	4
25/03/2009	5	3

#### (ii) Audit Committee Meetings:-

29/05/2008	3	3
16/08/2008	3	3
15/11/2008	3	3
14/02/2009	3	3

The details of attendance of each Director at the Board and Audit Committee Meetings held during the Financial Year 2008-2009 and details of number of outside directorship held by each of the Directors are given in Table below:-

<u>Sr. No.</u>	<u>Name of Director</u>	<u>Attendance at Board Meetings</u>	<u>Attendance at Audit Committee Meeting</u>	<u>Attendance at Last AGM</u>	<u>Outside Directorship</u>
1	Sh. Hans Raj Gupta	2	4	Yes	—
2	Sh. Sushil Kumar Aggarwal	6	—	Yes	—
3	Sh. Arun Kumar Aggarwal	6	4	Yes	—
4	Smt. Shalini Aggarwal	6	—	Yes	—
5.	Sh. Ashok Kumar Aggarwal	1	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.



# UNITED TEXTILES LIMITED

## 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 31<sup>st</sup> March 2009 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 2008-2009 were 5 and no complaint was outstanding as on 31<sup>st</sup> March, 2009.

## 6. General Body Meetings:

Last Three Annual General Meetings of the Company were held at the Registered Office of the Company at 7<sup>th</sup> 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>
2005-2006	Saturday 30/09/2006	11.00 A.M.	Appointment of Sh. Vivek Aggarwal as Commercial Manager
2006-2007	Saturday 29/09/2007	11.00 A.M.	NIL
2007-2008	Monday 29/09/2008	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.

## 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 : Wednesday, 30<sup>th</sup> September 2009  
Time : 11.00 A.M.  
Venue : 7<sup>th</sup> K.M. Stone, Barwala Road, Hisar-125001

### b) Financial Year :

The financial year of the company is 1<sup>st</sup> April to 31<sup>st</sup> March.

### c) Book Closure :

The Dates of Book Closure is from 26<sup>th</sup> September, 2009 to 30<sup>th</sup> September, 2009 (both days inclusive.)



# UNITED TEXTILES LIMITED

**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 2,400 shares in F.Y. 2008-2009 and no shares are pending for transfer.

**f) Distribution of Shareholding:**

The Distribution of Shareholding as on 31<sup>st</sup> March, 2009 given in table below:-

No. of equity Shares held	Total Holders	% of Share Holder	Amount in Rs.	% of Share Holding
Up to 5000	4340	97.04	1344981.00	44.83
5001 to 10000	94	2.11	722000.00	24.08
10001 to 20000	26	0.58	418340.00	13.94
20001 to 30000	3	0.07	75700.00	2.52
30001 to 40000	3	0.07	101500.00	3.38
40001 to 50000	2	0.04	95500.00	3.18
50000 to 100000	4	0.09	241979.00	8.07
100000 and above	—	—	—	—
<b>TOTAL</b>	<b>4472</b>	<b>100</b>	<b>3000000.00</b>	<b>100</b>

Categories of Shareholders as on 31<sup>st</sup> March, 2009 given in table below:-

Category	No. of Share	% of Shareholdings
Indian Promoters	1170500	39.01
Private Corporate Bodies	147186	4.91
Indian Public	1682314	56.08
Others	—	—
<b>TOTAL</b>	<b>3000000</b>	<b>100</b>

**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 14.15.875 Shares are in Electronic Form and 15, 84,125 shares are in Physical Form as on 31/03/2009.

**h) Plant Location:**

**Hisar Unit**

7<sup>th</sup> K.M. Stone, Barwala Road, Hisar-125 001 (Haryana)

**i) Address for Correspondence:-**

*Regd. Office and Works:*

United Textiles Limited 7<sup>th</sup> 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**

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## **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 31<sup>st</sup> March 2009 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 not 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: —2<sup>nd</sup> September, 2009

# UNITED TEXTILES LIMITED

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## AUDITORS' REPORT

TO  
THE SHAREHOLDERS OF,  
UNITED TEXTILES LIMITED.

We have audited the attached Balance Sheet of UNITED TEXTILES LIMITED as at 31<sup>st</sup> March 2009, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express 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 and Profit and Loss Account 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 31<sup>st</sup> March, 2009 from being appointed as directors in terms of clause

# UNITED TEXTILES LIMITED

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(g) of Sub- Section (1) of Section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with NOTES appearing in SCHEDULE 'Q' give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009, and
- ii) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date and
- iii) In the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

## ANNEXURE TO AUDITORS' REPORT

REFERRED TO IN PARAGRAPH (A) IN OUR REPORT OF EVEN DATE FOR THE YEAR ENDED 31.03.2009.

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 unsecured loan from a party 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. 14,00,000/- and 13,00,000/- respectively

# UNITED TEXTILES LIMITED

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(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.
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, Income Tax, Custom duty, Excise Duty 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.11,031/-, Provident Fund (including Administrative charges) for Rs.38,800/- and Employees State Insurance for Rs.13,623/- respectively as at 31<sup>st</sup> March 2009 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, and Wealth tax, Custom Duty, Excise Duty, 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 31<sup>st</sup> March, 2009 the accumulated losses of the Company are not more than fifty per cent of its net worth. The company has not incurred cash losses in the current financial year and in the

# **UNITED TEXTILES LIMITED**

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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

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

Place: New Delhi  
Dated: 2<sup>nd</sup> September, 2009

# UNITED TEXTILES LIMITED

BALANCE SHEET AS AT 31st March, 2009

(Amount in Rs.)

DESCRIPTION	SCHEDULE	Current Year 2008-2009	Previous Year 2007-2008
<b>SOURCES OF FUNDS :</b>			
<u>Shareholders' Funds :</u>			
Share Capital	'A'	30,000,000	30,000,000
Reserves and Surplus			
Surplus-Profit and Loss Account		6,165,368	5,913,550
		<u>36,165,368</u>	<u>35,913,550</u>
<b>LOAN FUNDS</b>			
Secured Loans	'B'	10,914,556	11,020,592
Unsecured Loans	'C'	1,300,000	3,278,223
		<u>12,214,556</u>	<u>14,298,815</u>
Total		<u><b>48,379,924</b></u>	<u>50,212,366</u>
<b>APPLICATION OF FUNDS :</b>			
<u>Fixed Assets :</u>			
Gross Block	'D'	74,302,771	74,083,871
Less : Provision for Depreciation		46,638,547	43,124,095
Net Block		<u>27,664,224</u>	<u>30,959,776</u>
ADD: Capital work in progress		670,318	670,318
		<u>28,334,542</u>	<u>31,630,094</u>
<u>Current Assets, Loans &amp; Advances</u>			
Inventories	'E'	14,026,348	13,837,345
Sundry Debtors	'F'	10,706,851	7,706,239
Cash and Bank Balances	'G'	835,695	547,329
Loans and advances	'H'	4,281,372	2,250,629
		<u>29,850,266</u>	<u>24,341,541</u>
Less: Current Liabilities and Provisions			
Current Liabilities	'I'	9,576,017	5,377,551
Provisions	'J'	228,867	381,719
		<u>9,804,884</u>	<u>5,759,270</u>
Net Current Assets		<u>20,045,382</u>	<u>18,582,272</u>
Total		<u><b>48,379,924</b></u>	<u>50,212,365</u>

Notes forming part of Accounts

"Q"

**AUDITORS' REPORT**

IN TERMS OF OUR REPORT OF  
EVEN DATE ANNEXED HERETO

(Sushil Kumar Aggarwal)  
Whole Time Director

For N.C. Aggarwal & Co.  
Chartered Accountants

Place : HISAR  
Dated : 2nd Sep., 2009

(Arun Kumar Aggarwal)  
Executive Director

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



# UNITED TEXTILES LIMITED

BALANCE SHEET AS AT 31st March, 2009

DESCRIPTION	SCHEDULE	(Amount in Rs.)	
		Current Year 2008-2009	Previous Year 2007-2008
<b>INCOME :</b>			
Sales and operational income		89,594,928	76,950,509
Less: Excise Duty		-	-
		<u>89,594,928</u>	<u>76,950,509</u>
Other Income	'K'	164,681	288,105
Increase/ (Decrease) in Stock	'L'	886,018	(254,326)
		<u>90,645,627</u>	<u>76,984,288</u>
<b>EXPENDITURE</b>			
Material, Consumed			
& Operating Expenses	'M'	82,854,452	67,089,490
Personnel Expenses	'N'	1,550,292	1,549,244
Administrative & selling expenses	'O'	1,031,173	1,465,900
Financial Expenses	'P'	1,368,440	2,176,256
Depreciation	'D'	3,514,452	3,503,185
		<u>90,318,809</u>	<u>75,784,074</u>
<b>PROFIT BEFORE TAXATION</b>		326,818	1,200,213
Less : Provision for Taxation			
For Income Tax		(34,000)	(138,000)
For Fringe Benefit Tax		(41,000)	(44,000)
<b>PROFIT AFTER TAX</b>		<u>251,818</u>	<u>1,018,213</u>
Add : Previous Year's (Loss) Brought Forward		5,913,550	4,923,373
Add: Previous Year's Taxation Adjustment		-	(28,036)
		<u>6,165,368</u>	<u>5,913,550</u>
Balance carried to Balance Sheet			
Basic and Diluted EPS		<b>0.08</b>	<b>0.34</b>

Notes forming part of Accounts

"Q"

**AUDITORS' REPORT**

IN TERMS OF OUR REPORT OF  
EVEN DATE ANNEXED HERETO

(Sushil Kumar Aggarwal)  
Whole Time Director

For N.C. Aggarwal & Co.  
Chartered Accountants

Place : HISAR  
Dated : 2nd Sep., 2009

(Arun Kumar Aggarwal)  
Executive Director

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

# UNITED TEXTILES LIMITED

BALANCE SHEET AS AT 31st March, 2009

(Amount in Rs.)

DESCRIPTION	SCHEDULE	Current Year 2008-2009	Previous Year 2007-2008
<b>SCHEDULE 'A'</b>			
<b>SHARE CAPITAL</b>			
<b>AUTHORISED :</b>			
32,50,000 equity shares of Rs. 10/- each		32,500,000	32,500,000
<b>Issued ,Subscribed &amp; Paid-up</b>			
30,00,000 Equity Shares of Rs.10/- each fully paid up		30,000,000	30,000,000
<b>SCHEDULE 'B'</b>			
<b>SECURED LOANS :</b>			
<b>Term Loan from Bank</b>			
Oriental Bank of Commerce (Secured by first Charge on fixed assets of the company and Personal Guarantee of the Directors)		1,130,783	1,257,200
<b><u>Vehicle Loan from banks</u></b>			
HDFC BANK LTD (Secured by hypothecation of Vehicles of the Company)		272,647	584,020
<b>Working Capital Loan</b>			
Oriental Bank of Commerce (Secured against first charge by hypothecation of Raw material, Finished Goods, Store & Spares, Book debts etc. and Personal Guarantee of the Directors)		9,511,126	9,179,372
		10,914,556	11,020,592
<b>SCHEDULE 'C'</b>			
<b>UNSECURED LOANS :</b>			
Inter-Corporate Deposits		-	3,278,223
Loan From Director		1,300,000	-
		1,300,000	3,278,223

# UNITED TEXTILES LIMITED

## DEPRECIATION CHART AS PER INCOME TAX RECORD FOR THE YEAR ENDING 31ST MARCH, 2009

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.08	Additions	Sales/ Adjustment	As on 31.03.09	Upto 31.03.08	During the Year	Sales/ Adjustment	Upto 31.03.09	As on 31.03.09	As on 31.03.08
Land	627,316	-	-	627,316	-	-	-	-	627,316	627,316
Factory Shed & Building	5,953,103	-	-	5,953,103	2,493,311	198,834	-	2,692,145	3,260,958	3,459,792
Plant and Machinery	59,448,613	39,650	-	59,488,263	38,005,878	2,825,290	-	40,831,168	18,657,095	21,442,734
Electric Installation	5,316,988	168,300.00	-	5,485,288	2,027,275	255,098	-	2,282,373	3,202,915	3,289,713
Furniture and Fixtures	111,556	-	-	111,556	98,273	7,073	-	105,346	6,210	13,283
Office Equipments etc.	452,285	10,950	-	463,235	276,560	21,627	-	298,187	165,048	175,724
Vehicles	2,174,010	-	-	2,174,010	222,798	206,531	-	429,329	1,744,681	1,951,212
<b>TOTAL</b>	<b>74,083,871</b>	<b>218,900</b>	<b>-</b>	<b>74,302,771</b>	<b>43,124,095</b>	<b>3,514,452</b>	<b>-</b>	<b>46,638,547</b>	<b>27,664,225</b>	<b>30,959,777</b>
PREVIOUS YEAR	73,983,852	897,857	797,838	74,083,871	39,826,042	3,503,185	205,132	43,124,095	30,959,777	

# UNITED TEXTILES LIMITED

BALANCE SHEET AS AT 31st March, 2009

DESCRIPTION	SCHEDULE	(Amount in Rs.)	
		Current Year 2008-2009	Previous Year 2007-2008
<b>SCHEDULE 'E'</b>			
<b><u>INVENTORIES</u></b>			
Raw Material		10,178,048	11,302,109
Finished Goods		638,009	539,611
Work -in- Process		432,000	432,000
Cotton waste		830,100	42,480
Store and Spares		1,928,920	1,501,873
Loose Tools		19,271	19,272
		<u>14,026,348</u>	<u>13,837,345</u>
<b>SCHEDULE 'F'</b>			
<b><u>SUNDRY DEBTORS</u></b>			
Unsecured, Considered good			
Exceeding six months		3,561,591	2,077,741
others		7,145,260	5,628,497
		<u>10,706,851</u>	<u>7,706,238</u>
<b>SCHEDULE 'G'</b>			
<b><u>CASH AND BANK BALANCES</u></b>			
Cash in Hand		490,135	323,852
Balance with Scheduled Banks			
-In Current Accounts		345,560	223,477
		<u>835,695</u>	<u>547,329</u>
<b>SCHEDULE 'H'</b>			
<b><u>LOANS AND ADVANCES</u></b>			
Advance Recoverable in Cash or kind or		3,245,295	866,492
for value to be received			
Inter corporate Loan		377,157	603,991
Security deposits		576,485	576,485
Prepaid Tax		82,435	203,661
		<u>4,281,372</u>	<u>2,250,629</u>
<b>SCHEDULE 'I'</b>			
<b><u>CURRENT LIABILITIES</u></b>			
Sundry creditors		8,241,090	4,403,641
Due to Customers		-	225,308
Others Liabilities		1,334,927	748,602
		<u>9,576,017</u>	<u>5,377,551</u>

# UNITED TEXTILES LIMITED

BALANCE SHEET AS AT 31st March, 2009

(Amount in Rs.)

DESCRIPTION	SCHEDULE	Current Year 2008-2009	Previous Year 2007-2008
<b>SCHEDULE 'J'</b>			
<b>PROVISION</b>			
Provision for :-			
--Income Tax		39,390	138,000
---Fringe Benefit Tax		41,000	44,000
Provision for Leave Encashment		3,050	3,050
Provision for Gratuity		145,427	196,669
		<u>228,867</u>	<u>381,719</u>

## **SCHEDULE 'K'**

Interest on loans (Tax deducted at Source Rs. 30468 )		-	134,459
Cash discount		-	8,670
Hank Yarn obligation Transfer		89,519	47,162
Miscellaneous Receipts		75,162	75,114
Insurance Claim		-	22,700
		<u>164,681</u>	<u>288,105</u>

## **SCHEDULE 'L'**

### **INCREASE/(DECREASE) IN STOCK**

#### **CLOSING STOCK**

Finished Goods		638,009	539,611
Work in Process		432,000	432,000
Cotton waste		830,100	42,480
		<u>1,900,109</u>	<u>1,014,091</u>

#### **Less: Opening Stock**

Finished Goods		539,611	577,977
Work in process		432,000	432,000
Cotton waste		42,480	258,440
		<u>1,014,091</u>	<u>1,268,417</u>
Increase /(Decrease) in Stock		<u>886,018</u>	<u>(254,326)</u>

## **SCHEDULE 'M'**

### **MATERIAL CONSUMED & OPERATING EXPENSES**

Raw Material Consumed		71,250,952	51,457,029
Purchase for sale		519,685	855,045
Power and Fuel		8,347,660	11,905,051
Packing Material Consumed		799,579	740,088
Store and Spares		1,849,229	2,074,936
Repair to Plant and Machinery		87,347	52,541
Repair to Factory Shed and Building		-	4,800
		<u>82,854,452</u>	<u>67,089,490</u>

# UNITED TEXTILES LIMITED

BALANCE SHEET AS AT 31st March, 2009

(Amount in Rs.)

DESCRIPTION	SCHEDULE	Current Year 2008-2009	Previous Year 2007-2008
<b>SCHEDULE 'N'</b>			
<b>PERSONNEL EXPENSES</b>			
Salary, Wages and Other Benefits		1,349,254	1,373,732
Contribution to Provident fund and other funds		174,657	166,006
Workmen and Staff Welfare		26,381	9,506
		<u>1,550,292</u>	<u>1,549,244</u>
<b>SCHEDULE 'O'</b>			
<b>ADMINISTRATIVE AND SELLING EXPENSES:</b>			
Auditor's Remuneration			
Audit Fees		17,416	17416
Tax Audit Fees		5,056	5056
Certification		-	20786
Advertisement & Publicity		31,280	30930
Annual General Meeting Expenses		-	1951
Annual Listing Fees		10,000	9800
Commission on Sales		5,551	30566
Computer job work		84,000	84000
Directors' Remuneration		240,000	240000
Discount & Rebate		839	17021
Donation		2,600	2900
Fees and Subscription		41,600	42148
Insurance Premium		195,446	181416
Legal and Professional Charges		82,388	63616
Miscellaneous Expenses		62,496	32777
Other travelling & Conveyance		720	1202
Postage Telephone & Telegram		130,725	168448
Printing and Stationery		22,787	21273
Prior Period Adjustments(Net)		-	69
Loss on Sale of Fixed Asset (Net)		-	347670
Vehicle upkeep & Maintenance		98,269	146855
		<u>1,031,173</u>	<u>1465900</u>
<b>SCHEDULE 'P'</b>			
<b>FINANCIAL EXPENSES</b>			
Interest on Term Loan		173,583	232,163
Interest on Intercorporate Deposits		75,156	486,278
Interest on Working Capital		996,160	1,299,877
Interest Paid To Others		63,612	69,286
Bank Commission & Charges		59,929	88,652
		<u>1,368,440</u>	<u>2,176,256</u>

# **UNITED TEXTILES LIMITED**

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## **SCHEDULE 'Q'**

### **1. ACCOUNTING POLICIES**

#### **BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

- i) 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 for the period of use on Straight Line 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.

# UNITED TEXTILES LIMITED

- c) Leave Encashment, as determined on the basis of accumulated leave to the credit of Employee as at the year end.

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 as certainable.

3. Remuneration to Managing Director/  
Whole Time Director

	For The Year Ended 31st March,2009	For The Year Ended 31st March,2008
(a) Salaries	<b>2,40,000</b>	2,40,000
	<u><b>2,40,000</b></u>	<u>2,40,000</u>

4. Profit/(Loss) for the year includes Income/Expenditure relating to prior periods as under the head 'Prior Period Adjustments'

	Current Year	Previous Year
Income	.....	-
Expenditure	<u>.....</u>	<u>69</u>
NET DEBIT/ (CREDIT)	<u>.....</u>	<u>69</u>

5. Other liabilities includes amount due to Directors is Rs. 1,75,100/- (Previous Year Rs. NIL)

6. 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.

7. 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.

8. Based on the information available with the Company, Sundry Creditors in Schedule 'I' includes Rs Nil (Previous Year NIL ) due to Small Scale Industrial Undertakings. There is no Small Scale Industrial Undertakings to whom an amount was payable and outstanding for more than 30 days.

9. 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.

10. Profit on sale of Fixed Assets (Net) Includes
- |                                | Current Year | Previous Year   |
|--------------------------------|--------------|-----------------|
| Profit on sale of Fixed Assets | <b>NIL</b>   | <b>20036/-</b>  |
| Loss on sale of Fixed Assets   | <b>NIL</b>   | <b>367706/-</b> |
| Total                          | <b>NIL</b>   | <b>347670/-</b> |



# UNITED TEXTILES LIMITED

## 11 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	Rs	
Contribution to Employees' Provident Fund		104104
Contribution to Employees State Insurance Fund		56561
II Defined Benefit Plans	Rs	
		Gratuity (Unfunded)
A. Actuarial Assumptions		
Discount Rate (per annum)		7.00%
Future salary increase		4.50%
Expect return on plan assets		0.00%
Mortality rate		LIC (1994-96) Ultimate
<u>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.</u>		
	Rs	
		Gratuity (Unfunded)
B. Reconciliation of present value of obligation		
Present value of obligation at the beginning of the year		196,669
Current Service Cost		37,111
Interest Cost		13,767
Actuarial (gain)/ loss		(102,120)
Benefits paid		-
Curtailments		-
Settlements		-
<u>Present value of obligation at the end of the year</u>		<u>145,427</u>
	Rs	
		Gratuity (Unfunded)
C. Reconciliation of fair value of plan assets		
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		-
<u>Fair value of plan assets at end of the year</u>		<u>-</u>
	Rs	
		Gratuity (Unfunded)
D. Net (Asset)/Liability recognised in the Balance Sheet as at year end		
Present value of obligation at the end of the year		145,427
Fair value of plan assets at end of the year		-
<u>Net present value of unfunded obligation recognised as (asset)/liability in the Balan</u>		<u>145,427</u>
	Rs	
		Gratuity (Unfunded)
E. Expenses recognised in the Profit and Loss Account		
Current Service Cost		37,111
Interest Cost		13,767
Expect return on plan assets		-
Actuarial (gain)/loss recognised in the period		(102,120)
Past Service Cost		-
Curtailments		-
Settlements		-
<u>Total expenses recognised in the Profit and Loss Account for the year</u>		<u>(51,242)</u>
<u>Actual return on plan assets</u>		<u>-</u>

The above disclosures are based on information certified by the independent actuary and relied upon by the auditors. This being the first year of implementation of the standard, comparable figures of the previous year have not been disclosed.

# UNITED TEXTILES LIMITED

## 12 Segment Reporting :

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

## 13 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.)	251,818	1,018,213
No of Share Issued	3,000,000	3,000,000
EPS(Basic and Diluted) (in Rs.)	0.08	0.34

## 14 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

### c) 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	132,000	132,000
Loan Taken (Sushil Kr. Aggarwal)	1,400,000	-
Loan Repaid (Sushil Kr. Aggarwal)	100,000	-
<b>Outstanding Balance as on 31.03.2009</b>		
Unsecured Loan (Sushil Kr. Aggarwal)	13,00,000	-
Other Liabilities (Arun Kr, Aggarwal)	175,100.00	-

# UNITED TEXTILES LIMITED

## 15 Additional Information pursuant paragraph 3&4 of Part II of Schedule VI of the Companies Act,1956

### A) INSTALLED CAPACITY AND PRODUCTION:

Description	Unit	<u>Installed Capacity</u>		<u>Production</u>	
		Current Year	Previous Year	Current Year	Previous Year
Cotton Yarn	MT	3800	3,800	1795	1542

Note: a) Licenced Capacity : Since delicensed  
b) Installed Capacity as Certified by the Management

### B) RAW MATERIAL CONSUMPTION:

Description	Unit	<u>Current Year</u>		<u>Previous Year</u>	
		Qty.	Amount(Rs.)	Qty.	Amount(Rs.)
Cotton	MT	2,183	71,250,952	1,880	51,457,029

### C) PURCHASE FOR SALE

Cotton	MT	30	519,685	74	855,045
--------	----	----	---------	----	---------

### D) CLOSING STOCK

a) Finished Goods					
Cotton Yarn	MT	13	638,009	11	539,611
b) Waste Cotton	MT	73	830,100	6	42,480
			1,468,109		582,091

### E) OPENING STOCK

a) Finished Goods					
Cotton Yarn	MT	11	539,611	13	577,977
b) Waste Cotton	MT	6	42,480	42	258,440
			582,091		836,417

### F) SALE

Cotton Yarn	MT	1,793	83,977,068	1,544	72,501,870
Waste Cotton	MT	285	5,079,870	347	3,379,863
			89,056,938		75,881,733
Cotton Trading Sale		30	527,863	74	1,068,776
			89,584,801		76,950,509

## 16 C.I.F. Value of Imports Stores & Spares

-

## 17 Consumption of Raw Material, Stores and Spares

	<u>Current Year</u>		<u>Previous Year</u>	
	Value (Rs.)	% age	Value (Rs.)	% age
<u>Raw Material</u>				
Imported	-	-	-	-
Indigenous	71,250,952	100	51,457,029	100
Total	71,250,952	100	51,457,029	100
<u>Stores and Spares</u>				
Imported	-	-	33,388	2
Indigenous	1,849,229	100	2,041,548	98
Total	1,849,229	100	2,074,936	100

## 18 Earning/Expenditure in Foreign Exchange

Nil

Nil

# UNITED TEXTILES LIMITED

## 19 Additional Information pursuant to Part IV of Schedule VI of the Companies Act, 1956

REGISTRATION DETAILS	Rs. in '000
Registration No.	32,092
State Code No.	05
Balance sheet Date	31.03.2009
<b>II CAPITAL RAISED DURING THE YEAR</b>	
Public issue	Nil
Right issue	Nil
Bonus issue	Nil
Private placement	Nil
<b>III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS</b>	
Total Liabilities	48,380
Total Assts	48,380
<b>SOURCE OF FUNDS</b>	
Paid up Capital	30,000
Reserves & Surplus	6,165
Deferred Tax Liability	-
Secured Loans	10,915
Unsecured Loans	<u>1,300</u>
	<u>48,380</u>

### APPLICATION OF FUNDS

Net fixed Assets	28,335
Net current assets	20,045
Profit And Loss Account	-
	<u>48,380</u>

### IV PERFORMANCE OF COMPANY

Total Income	90,646
Total Expenditure	90,319
Profit (Loss) before Tax	327
Profit (Loss) after Tax	252
Earning Per Share(Rs.)	0.08
Dividend	-

### V GENERIC NAME OF PRINCIPAL PRODUCTS OF COMPANY (RUPEE PER MONETARY TERMS)

Item Code No.	52051100
Product Description	Cotton Yarn

20 Previous year figures have been regrouped and rearranged wherever considered necessary to make them comparable with the Current year's Figures.

21 Schedule 'A' to 'Q' are annexed to and form an integral part of Balance Sheet and Profit and Loss Account.

Signature to Annexure 'A' to 'Q'

(Sushil Kumar Aggarwal)  
Whole Time Director

For N.C. Aggarwal & Co.  
Chartered Accountants

Place : HISAR  
Dated : 2nd Sep., 2009

(Arun Kumar Aggarwal)  
Executive Director

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

# UNITED TEXTILES LIMITED

Cash Flow Statement for the year ended 31st March 2009  
(As required by Clause 32 of the Listing Agreement)

## A. CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES

Net profit (Loss) Before Tax and Extra Ordinary Items.	326,818.04	1,200,212.78
Add:		
<b>Adjustment for Depreciation</b>	3,514,451.87	3,503,184.63
Loss (Profit) on sale of Fixed Asset	-	347,670.00
Interest Charges	1,308,510.52	2,087,604.00
Preliminary Expenses Written off	-	-
Deferred Expenses Written off	-	-
Operating Profit before Working Capital changes	<u>5,149,780.43</u>	<u>7,138,671.41</u>
<b>Adjustment for :</b>		
Trade and other Receivable	(5,152,582.41)	(618,508.24)
Inventories	(189,002.12)	2,199,594.53
Trade Payable	<u>4,147,223.68</u>	<u>681,877.53</u>
	<b>3,955,419.58</b>	<b>9,401,635.24</b>
Advance Taxation/Income Tax Refund	<u>(55,383.74)</u>	<u>(552,631.06)</u>
Cash Inflow/(Outflow) from Operating Activities	<u><b>3,900,035.84</b></u>	<u><b>8,849,004.18</b></u>
<b>B. Cash Inflow/(Outflow) Arising from Investing Activities</b>		
Acquisition of Fixed Assets	(218,900.00)	(897,857.00)
Sale of Fixed Assets	-	225,000.00
Sale of CWIP	-	300,000.00
Net Cash Inflow/(Outflow) Arising from Investing Activities	<u>(218,900.00)</u>	<u>(372,857.00)</u>
<b>C. Cash Inflow/(Outflow) Arising from Financing Activities</b>		
Secured Loan/Repayment of Loan	(106,035.80)	(898,235.87)
Interest Paid	(1,308,510.52)	(2,087,604.00)
Inter Corporate Loan	<u>(1,978,223.04)</u>	<u>(5,533,015.00)</u>
Net Cash Inflow from Financing Activities	<u>(3,392,769.36)</u>	<u>(8,518,854.87)</u>
<b>Net Increase( Decrease) in Cash &amp; Cash Equivalent (A+B+C)</b>	288,366.48	(42,707.69)
Add:		
Balance at the beginning of the year	547,328.96	590,036.29
Cash & Cash equivalent at the close of year	<u>835,695.24</u>	<u>547,328.96</u>

This is the cash flow statement referred to in our report of even date

(Sushil Kumar Aggarwal)  
Whole Time Director

(Arun Kumar Aggarwal)  
Executive Director

## AUDITOR'S CERTIFICATE

We have verified the attached Cash Flow Statement of UNITED TEXTILES LTD. for the year ended 31<sup>st</sup> March, 2009. The statement has been prepared by the Company in accordance with the requirement of the Clause 32 of the listing agreement of Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our Report of even date.

for N.C. Aggarwal & Co.  
Chartered Accountants  
(G.K. Aggarwal)  
Partner  
M.No. 86622

Place : Hisar  
Dated : 2nd September, 2009

# 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 Wednesday, the 30th  
September, 2009 at 11.00 A.M. and at my adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2008

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 Wednesday 30 September, 2009 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:1 25001 (Haryana) INDIA