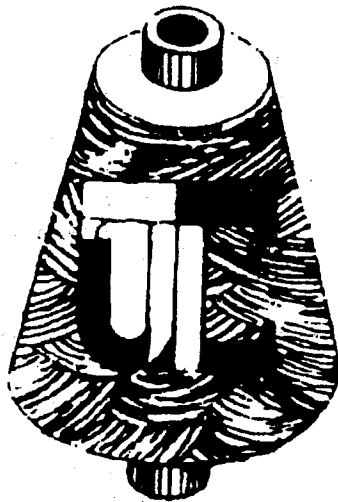


# TWENTYTH ANNUAL REPORT 2012-2013



**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](mailto: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. Satpaul Saini & Associates**  
**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)**

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# **UNITED TEXTILES LIMITED**

## **NOTICE**

Notice is hereby given that the TWENTYTH ANNUAL GENERAL MEETING of the Shareholders of **UNITED TEXTILES LIMITED** will be held on Monday the 30<sup>th</sup> September, 2013 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 2013 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 Sh.Ashok Kumar Aggarwal who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

### **SPECIAL BUSINESS**

4. 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. SUSHIL KUMAR AGGARWAL as Whole Time Director of the Company for a period of 5 years with effect from 1st August, 2013 without remuneration.

However, he shall 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 meeting of the Board of Directors or committee thereof. He shall not 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  
7<sup>th</sup> K.M. Stone, Barwala Road,  
Hisar - 125001  
Dated: - 30th May, 2013

# **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 **Tuesday the 29th October 2013 to Wednesday the 30th October 2013 (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 Sh.Ashok Kumar Aggarwal proposed to re-appointment as Director.**

Sh. Ashok Kumar Aggarwal retires by rotation at the Annual General Meeting & being eligible offers himself for re-appointment. He has joined the Board of Directors in the year 2005. He is literate, energetic & inherited the business skill within the family. The re-appointment of Sh. Ashok Kumar Aggarwal would be beneficial to the Company. He is not a Director in any other Company.

As on 31/03/2013 he holds NIL Equity Shares of Rs. 10/- each in the Company.

**b) Brief Particulars of Sh. Sushil Kumar Aggarwal proposed to re-appointment as Whole Time Director**

Sh. Sushil Kumar Aggarwal seeks re-appointment as Whole Time Director at this Annual General Meeting. He has joined the Board of Director in the year 1993. He is graduate & has vast experience in Spinning Industry. The re-appointment of Sh. Sushil Kumar Aggarwal would be beneficial to the Company. He is not a Director in any other Company.

As on 31/03/2013 he holds 1,17,500 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. 4**

Sh. Sushil Kumar Aggarwal was acting as Whole Time Director. His term expired on 31/07/2013. The Board of Director has proposed re-appointment of him as Whole Time Director w.e.f. 01/08/2013, on the terms & condition set out in the resolution. His re-appointment shall bless the board with his vast experience in Spinning Industry.

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

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

# UNITED TEXTILES LIMITED

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## DIRECTORS REPORT:

### To the Members

Your Directors have great pleasure in presenting the TWENTYTH ANNUAL REPORT together with the Audited Statement of Accounts of your Company for the year ended 31<sup>st</sup> March, 2013.

## FINANCIAL RESULTS:

	Current Year (2012-2013)	(Rs. In Lacs) Previous Year (2011-2012)
Sales & Operational Income	980.54	729.44
Other Income	30.61	37.98
	<u>1011.15</u>	<u>767.42</u>
Profit before Tax & Dep.	18.44	18.38
Provision for Depreciation	(12.28)	(15.75)
Provision for Income Tax	<u>(1.18)</u>	<u>(0.51)</u>
Profit After Tax	4.98	2.12

## OPERATION:

The Turnover of the company has increased by 34%. & Profit after Tax is higher by 135% as compared to previous year. Keeping in view of the prevailing market condition the performance of the company may be considered 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:

# **UNITED TEXTILES LIMITED**

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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 31-03-2013.

## **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.Ashok Kumar Aggarwal 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.

## **COST AUDITORS' APPOINTMENT**

As per the requirement of the Central Government, and in pursuance of Section 233B of the Companies Act, 1956 your company carries out an audit of cost records, Subject to the approval of the Central Government, your Director have appointed M/s Satpaul Saini & Associates, to audit the cost accounts of the company for the financial year 2013.

## **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: - 30th May, 2013

# 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 (2012-2013)	Previous Year (2011-2012)
A. Power & Fuel Consumption:		
1. Power		
a. Purchased		
(i) Units (KWH)	15,75,896	13,16,384
(ii) Total Amount (Rs.)	101,83,266	68,30,132
(ii) Rate/Unit Rs. KWH	6.46	5.19
b. Thought Diesel Generator		
i) Units (KWH)	48,987	93,835
ii) Total Amount (Rs.)	5,94,702	11,46,910
iii) Cost/Unit	12.14	12.22
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.	1018 Units	1023 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: -30th May, 2013

# UNITED TEXTILES LIMITED

## Corporate Governance Report for the Financial Year 2012-2013

### 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 2012-13. 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:-

Sr. No.	Name of the Director	Category
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 2012-2013 are given in Table below :-

#### (i) Board of Directors Meeting:-

Date of Meeting	Total Members	Attendance by No. of Members
30/04/2012	5	3
30/07/2012	5	3
01/09/2012	5	4
30/10/2012	5	3
12/02/2013	5	3

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

29/05/2012	3	3
17/08/2012	3	3
16/11/2012	3	3
15/02/2013	3	3

The details of attendance of each Director at the Board and Audit Committee Meetings held during the Financial Year 2012-2013 and details of number of outside directorship held by each of the Directors are given in Table below:-

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.



# 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 2013 is given below:-

	<u>Salary Paid</u>	<u>Service Tenure</u>
Sh. Arun Kumar Aggarwal	240000	upto 31-3-2017

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 Nagar, New Delhi – 110 015. 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 2012-2013 were nil and no complaint was outstanding as on 31<sup>st</sup> March, 2013.

## 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>
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
2011-2012	Saturday 29/09/2012	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 : Monday, 30<sup>th</sup> September 2013  
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 29<sup>th</sup> October, 2013 to 30<sup>th</sup> October, 2013 (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:

# UNITED TEXTILES LIMITED

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

Stock code  
521188

e) **Share Transfer System:**

The company's shares are traded in Stock Exchange compulsorily in demat mode. The company has transferred NI shares in F.Y. 2012-2013 and no shares are pending for transfer.

f) **Distribution of Shareholding:**

The Distribution of Shareholding as on 31<sup>st</sup> March, 2013 given in table below:-

No. of equity Shares held	Total Holders	% of Share Holder	No. of Shares	% of Share Holding
Up to 500	3751	86.81	502550	16.76
501 to 1000	219	5.07	180713	6.02
1001 to 5000	248	5.74	701650	23.39
5001 to 10000	64	1.48	449379	14.98
10001 to 20000	25	0.58	386296	12.88
20001 to 30000	3	0.07	72985	2.43
30001 to 40000	3	0.07	115392	3.85
40001 to 50000	4	0.09	186853	6.23
50001 to 100000	1	0.02	60500	2.02
100001 and above	3	0.07	343682	11.46
<b>TOTAL</b>	<b>4321</b>	<b>100</b>	<b>3000000</b>	<b>100</b>

Categories of Shareholders as on 31<sup>st</sup> March, 2013 given in table below:-

Category	No. of Share	% of Shareholdings
Indian Promoters	1197390	39.91
Private Corporate Bodies	106722	3.56
Indian Public	1695888	56.53
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 17,18,975 Shares are in Electronic Form and 12,81,025 shares are in Physical Form as on 31/03/2013.

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, Accounts 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 2013 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 : 30th May, 2013

# **UNITED TEXTILES LIMITED**

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## **AUDITOR'S REPORT**

**To the Members' of**

**UNITED TEXTILES LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of UNITED TEXTILES LIMITED, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Managements Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date

# **UNITED TEXTILES LIMITED**

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## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
  
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

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

Place: New Delhi  
Dated: 30<sup>th</sup> May, 2013

# **UNITED TEXTILES LIMITED**

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## **ANNEXURE TO AUDITORS' REPORT**

(REFERRED TO IN PARAGRAPH I UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013)

- 1.a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) The Management in accordance with a phased programme of verification adopted by the Company has physically verified a major portion of the fixed assets. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.
  - c) As per records and information and explanations given to us, no substantial part of fixed assets has been disposed of 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 inventories. 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 taken interest free unsecured loan from a parties listed in the register maintained under section 301 of the Companies Act, 1956. The outstanding balance and maximum amount involved during the year in respect of said party is Rs.3,67,800/- and Rs.8,67,800/- respectively.  
  
(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.

# **UNITED TEXTILES LIMITED**

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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) According to the information and explanations provided by the management, during the year, no contracts or arrangements with the parties referred to in section 301 of the Act have been entered into. Accordingly, paragraphs (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 there under 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) According to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues as applicable to the company including Provident Fund, Employees State Insurance, Sales Tax, Income Tax, cess and Service Tax. There are no arrears as at 31<sup>st</sup> March 2013 for a period of more than six months from the date they become payable.  
  
b) According to the information and explanations given to us, there are no dues as applicable to the company including of Provident Fund, Employees State Insurance, Sales Tax, Income Tax, cess and Service Tax which have not been deposited on account of any dispute.
10. As at 31<sup>st</sup> March, 2013 the Company's accumulated losses is not more than fifty percent of its net worth. The company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
11. In our opinion, on the basis of books and records examined by us and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has not taken any loan from any financial institutions and debenture holders.
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. Therefore, the provision of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
13. In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order, 2003 are not applicable to the Company.

## **UNITED TEXTILES LIMITED**

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14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order, 2003 are not applicable to the Company.
15. According to the information and explanations given to us, the company has not given any guarantee for loan taken by others from banks/financial institutions. Hence, paragraph 4(xv) of the order is not applicable.
16. In our opinion, the term loans have been applied for the purposes for which they were raised.
17. 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.
18. 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.
19. The company has not issued any debentures. Accordingly paragraph 4(xix) of the order is not applicable.
20. According to the information and explanations given to us, the Company has not raised any money by way of public issues during the year.
21. 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 year.

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

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

Place: New Delhi  
Dated: 30<sup>th</sup> May, 2013



# UNITED TEXTILES LIMITED

## UNITED TEXTILES LIMITED

Balance Sheet as at 31st March, 2013

(Amount in Rs.)

Particulars		Note No	As at 31st March 2013	As at 31st March 2012
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Shareholders Funds</b>			
	(a) Share Capital	1	30,000,000	30,000,000
	(b) Reserves and Surplus	2	(6,101,012)	(6,599,820)
(2)	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	3	-	51,035
	(b) Long-term provisions	4	280,976	258,420
(3)	<b>Current liabilities</b>			
	(a) Short-term borrowings	5	6,152,192	8,206,512
	(b) Trade payables	6	1,745,087	1,604,116
	(c) Other current liabilities	7	2,293,918	1,342,551
	(d) Short-term provisions	8	156,179	81,341
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>34,527,340</b>	<b>34,944,156</b>
<b>II.</b>	<b>ASSETS</b>			
(1)	<b>Non-current assets</b>			
	(a) <b>Fixed Assets</b>	9		
	(i) Tangible assets		7,695,249	8,923,245
	(ii) Capital work-in-progress		670,318	670,318
	(b) Long-term loans and advances	10	576,485	576,485
(2)	<b>Current assets</b>			
	(a) Inventories	11	19,589,971	19,959,052
	(b) Trade receivables	12	4,251,730	3,895,727
	(c) Cash and Cash Equivalents	13	872,876	441,790
	(d) Short-term loans and advances	14	870,711	454,805
	(e) Other Current Assets	15	-	22,734
	<b>TOTAL ASSETS</b>		<b>34,527,340</b>	<b>34,944,156</b>

Significant accounting policies and 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 : 30th May, 2013

**ARUN KUMAR AGGARWAL**

Executive Director

# UNITED TEXTILES LIMITED

Statement of Profit and Loss for the year ended 31st March, 2013

## UNITED TEXTILES LIMITED

Statement of Profit And Loss for the year ended 31st March, 2013

Particulars		Note No.	Year ended 31st March 2013	Year ended 31st March 2012
(I)	Revenue from operations (Gross)	16	98,053,663	72,943,855
	Less :- Excise Duty		-	-
	Revenue from operations (Net)		98,053,663	72,943,855
(II)	Other income	17	3,061,251	3,797,981
(III)	<b>Total Revenue (I+II)</b>		<b>101,114,914</b>	<b>76,741,836</b>
(IV)	<b>Expenses:</b>			
	Cost of materials consumed	18	79,667,773	62,122,386
	Changes in inventories of finished goods, work in progress and Stock-in-trade	19	689,250	(728,500)
	Employee benefits expense	20	1,600,754	1,576,155
	Finance costs	21	1,015,122	880,755
	Depreciation and amortisation expense	22	1,227,994	1,575,006
	Other expenses	23		
	Manufacturing Expenses		14,333,330	9,873,653
	Office & Administration Expenses		1,155,579	929,462
	Selling and distribution expenses		471,628	96,091
	Miscellaneous Expenses		337,346	154,151
	<b>Total Expenses</b>		<b>100,498,776</b>	<b>76,479,158</b>
(VII)	<b>Profit before tax</b>		<b>616,138</b>	<b>262,678</b>
(VIII)	<b>Tax expense:</b>			
	(1) Current tax		118,000	51,000
	(2) Deferred tax		-	-
(IX)	<b>Profit for the year after taxation (VII-VIII)</b>		<b>498,138</b>	<b>211,678</b>
(X)	<b>Earnings per equity share</b>			
	(1) Basic		0.17	0.07
	(2) Diluted		0.17	0.07

Significant accounting policies and 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 : 30th May, 2013

**ARUN KUMAR AGGARWAL**

Executive Director

# UNITED TEXTILES LIMITED

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

DESCRIPTION		As at 31.03.2013	As at 31.03.2012
1	SHARE CAPITAL		
(a)	AUTHORISED CAPITAL		
	32,50,000 Equity Shares of Rs. 10/- Each	32,50,000	32,50,000
		<b>32,50,000</b>	<b>32,50,000</b>
(b)	ISSUED, SUBSCRIBED AND PAID UP		
	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	<b>3,00,000</b>	<b>3,00,000</b>

(d) Details of Shareholding more than 5% shares in the company

S.No.	Name of shareholders	% of shareholding as on 31.03.2013	% of shareholding as on 31.03.2012
		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
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DESCRIPTION		As at 31.03.2013	As at 31.03.2012
2	RESERVES AND SURPLUS		
	Surplus-Statement of Profit and Loss		
	Profit Brought Forward	(6,599,820)	(6,811,168)
	Add:- Profit after tax for the year	498,138	211,678
	Les:- Previous year tax Adjustment	670	(330)
	<b>Total Reserves and Surplus</b>	<b>(6,101,012)</b>	<b>(6,599,820)</b>

DESCRIPTION		As at 31.03.2013	As at 31.03.2012
3	LONG-TERM BORROWINGS		
	Secured Long Term Borrowings		
	Term Loan From Banks-Vehicle Loan	-	51,035
	<b>Total Long Term Borrowings</b>	<b>-</b>	<b>51,035</b>

# UNITED TEXTILES LIMITED

	DESCRIPTION	As at 31.03.2013	As at 31.03.2012
4	<b>LONG TERM PROVISIONS</b>		
	For Employee Benefits		
	Gratuity (unfunded)	280,976	258,420
	<b>Total Long Term Provisions</b>	<b>280,976</b>	<b>258,420</b>

	DESCRIPTION	As at 31.03.2013	As at 31.03.2012
5	<b>SHORT TERM BORROWINGS</b>		
A	Secured Short Term Borrowings		
	Working Capital Demand Loan from Bank	5,784,392	7,938,712
B	Unsecured Short Term Borrowings		
	Loan from Director	367,800	267,900
	<b>Total Short Term Borrowings</b>	<b>6,152,192</b>	<b>8,206,512</b>

Working Capital Facility is secured by way of hypothecation of stock and book debt 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 immovable 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 31.03.2013	As at 31.03.2012
6	<b>TRADE PAYABLES</b>		
	Sundry Creditors		
	Dues to other than Micro and Small enterprises	1,745,087	1,604,116
	<b>Total Trade Payables</b>	<b>1,745,087</b>	<b>1,604,116</b>

	DESCRIPTION	As at 31.03.2013	As at 31.03.2012
7	<b>OTHER CURRENT LIABILITIES</b>		
a)	Current Maturities of Long Term debts	51,026	216,923
c)	Statutory Dues	65,292	123,003
d)	Other payable:		
	Other Outstanding Liabilities-Expenses Payable	2,177,600	1,002,626
	<b>Total Other Current Liabilities</b>	<b>2,293,918</b>	<b>1,342,551</b>

	DESCRIPTION	As at 31.03.2013	As at 31.03.2012
8	<b>SHORT TERM PROVISIONS</b>		
a)	For Employee Benefits		
	Gratuity (unfunded)	38,179	30,341
b)	Others		
	Provision for Tax	118,000	51,000
	<b>Total Short Term Provisions</b>	<b>156,179</b>	<b>81,341</b>

# UNITED TEXTILES LIMITED

## UNITED TEXTILES LIMITED AS ON 31ST MARCH, 2013

### Notes- "9" FIXED ASSETS

(Amount in Rs.)

DESCRIPTION OF ASSETS	Rate of Dep.	GROSS BLOCK				DEPRECIATION					NET BLOCK	
		As on 01.04.2012	Additions	Sales/ Adjustment	As on 31.03.2013	Upto 31.03.2012	Effect of change of	During the Year	Sales/ Adjustment	Upto 31.03.2013	As on 31.03.2013	As on 31.03.2012
Land		627,316	-	-	627,316	-	-	-	-	-	627,316	627,316
Factory Shed & Building	10.00%	5,953,103	-	-	5,953,103	4,987,109	-	96,599	-	5,083,708	869,395	965,994
Plant and Machinery	13.91%	59,290,133	-	-	59,290,133	54,374,855	-	683,715	-	55,058,570	4,231,568	4,915,278
Electric Installation	13.91%	5,485,288	-	-	5,485,288	4,105,892	-	191,874	-	4,297,766	1,187,522	1,379,396
Furniture and Fixtures	18.10%	111,556	-	-	111,556	109,150	-	435	-	109,585	1,971	2,405
Office Equipments etc.	13.91%	526,999	-	-	526,999	426,539	-	13,974	-	440,513	86,486	100,460
Vehicles	25.89%	2,271,374	-	-	2,271,374	1,338,981	-	241,397	-	1,580,378	690,996	932,393
<b>TOTAL</b>		<b>74,265,769</b>	<b>-</b>	<b>-</b>	<b>74,265,769</b>	<b>65,342,526</b>	<b>-</b>	<b>1,227,994</b>	<b>-</b>	<b>66,570,520</b>	<b>7,695,249</b>	<b>8,923,245</b>
Plant and Machinery (WP)		670,318	-	-	670,318							
<b>PREVIOUS YEAR</b>		<b>75,849,670</b>	<b>27,250</b>	<b>1,611,151</b>	<b>74,265,769</b>	<b>64,986,657</b>	<b>-</b>	<b>1,575,005</b>	<b>1,219,139</b>	<b>65,342,526</b>	<b>8,923,245</b>	<b>-</b>

# UNITED TEXTILES LIMITED

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

DESCRIPTION		As at 31.03.2013	As at 31.03.2012
10	Long-term loans and advances		
	Security Deposits		
	Unsecured, Considered good	576,485	576,485
	<b>Total Long Term Loans and Advances</b>	<b>576,485</b>	<b>576,485</b>

DESCRIPTION		As at 31.03.2013	As at 31.03.2012
11	Inventories		
	Raw Materials	15,487,000	14,109,940
	Work in Progress	550,000	600,000
	Finished Goods	580,500	159,000
	Store and Spares	2,370,221	3,427,112
	Scrap	602,250	1,663,000
	<b>Total Inventories</b>	<b>19,589,971</b>	<b>19,959,052</b>

DESCRIPTION		As at 31.03.2013	As at 31.03.2012
12	Trade Receivables		
A	Outstanding Exceeding Six Months		
	Unsecured, Considered good	18,489	232,890
	<b>Sub Total-Outstanding Exceeding Six Months</b>	<b>18,489</b>	<b>232,890</b>
B	Outstanding Less than Six Months		
	Unsecured, Considered good	4,233,241	3,662,837
	<b>Sub Total-Outstanding Less than Six Months</b>	<b>4,233,241</b>	<b>3,662,837</b>
	<b>Total Trade Receivables (A+B)</b>	<b>4,251,730</b>	<b>3,895,727</b>

DESCRIPTION		As at 31.03.2013	As at 31.03.2012
13	Cash and Cash Equivalents		
A.	Cash and Cash Equivalents		
	Balances with Banks		
	Current Accounts	161,595	24,056
	Cash on Hand	711,281	417,735
	<b>Total Cash and Cash Equivalents</b>	<b>872,876</b>	<b>441,790</b>

# UNITED TEXTILES LIMITED

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

	DESCRIPTION	As at 31.03.2013	As at 31.03.2012
14	<b>Short-term loans and advances</b>		
	Prepaid Taxes	180,938	59,703
	Prepaid Expenses	23,006	174,436
	Advance Recoverable in Cash or in kind		
	Unsecured, Considered good	666,767	220,666
	<b>Total Short Term Loans and Advances</b>	<b>870,711</b>	<b>454,805</b>

	DESCRIPTION	As at 31.03.2013	As at 31.03.2012
15	<b>Other Current Assets</b>		
	Interest Receivable	-	22,734
	<b>Total Other Current Assets</b>	<b>-</b>	<b>22,734</b>

	DESCRIPTION	Year ended 31.03.2013	Year ended 31.03.2012
16	<b>Revenue from Operation</b>		
	<b>Sale of Product</b>		
	Sales from Operations	97,852,460	72,777,358
	<b>Other Operating Revenue</b>		
	Miscellaneous Receipt/Sales	201,203	166,497
	<b>Gross Revenue from Operation</b>	<b>98,053,663</b>	<b>72,943,855</b>
(1)	<b>SALES</b>		
	<b>Manufactured Goods</b>		
	Cotton Yarn	89,000,750	68,050,628
	Scrap	8,851,710	4,726,730
	<b>Grand Total</b>	<b>97,852,460</b>	<b>72,777,358</b>

	DESCRIPTION	Year ended 31.03.2013	Year ended 31.03.2012
17	<b>Other Income</b>		
	Interest Income on Security Deposit	-	25,260
	Profit on Sale of Fixed Assets	-	668,160
	Hank Yarn Obligation Transfer	1,404,153	716,237
	Insurance Claim Received	-	101,837
	Profit on trading sale	1,655,332	2,286,487
	Cash Discount Received	1,766	-
	<b>Grand Total</b>	<b>3,061,251</b>	<b>3,797,981</b>

# UNITED TEXTILES LIMITED

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

DESCRIPTION		Year ended 31.03.2013	Year ended 31.03.2012
18	<b>Cost of Material Consumed</b>		
	Raw Material Components	79,667,773	62,122,386
	<b>Total</b>	<b>79,667,773</b>	<b>62,122,386</b>

DETAIL OF RAW-MATERIAL CONSUMED			
	Waste Cotton	79,667,773	62,122,386
	<b>Grand Total</b>	<b>79,667,773</b>	<b>62,122,386</b>

DESCRIPTION		Year ended 31.03.2013	Year ended 31.03.2012
19	<b>Changes in inventories of finished goods, work in progress and Stock-in-trade</b>		
	<b>Opening Stock</b>		
	Finished Goods- Manufactured	159,000	288,000
	Work in Progress	600,000	504,000
	Scrap	1,663,000	901,500
	<b>Total Opening Stock</b>	<b>2,422,000</b>	<b>1,693,500</b>
	<b>Closing Stock</b>		
	Finished Goods- Manufactured	580,500	159,000
	Work in Progress	550,000	600,000
	Scrap	602,250	1,663,000
	<b>Total Closing Stock</b>	<b>1,732,750</b>	<b>2,422,000</b>
	<b>(Increase)/Decrease in Stock</b>	<b>(689,250)</b>	<b>728,500</b>

DESCRIPTION		Year ended 31.03.2013	Year ended 31.03.2012
20	<b>Employee Benefits Expenses</b>		
	Salary and Wages	1,397,784	1,384,604
	Contribution to provident and other funds	180,865	181,975
	Staff Welfare Expenses	22,105	9,576
	<b>Grand Total</b>	<b>1,600,754</b>	<b>1,576,155</b>

DESCRIPTION		Year ended 31.03.2013	Year ended 31.03.2012
21	<b>Finance Cost</b>		
	<b>Interest Expenses</b>		
	Term Loan- Vehicle Loan	23,068	50,038
	Working Capital	912,671	786,958
	Bank Interest	3,161	2,596
	Bank Charges	65,896	33,204
	Others-ESI/PF Late Deposit	10,326	7,959
	<b>GRAND TOTAL</b>	<b>1,015,122</b>	<b>880,755</b>



# UNITED TEXTILES LIMITED

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

DESCRIPTION		Year ended 31.03.2013	Year ended 31.03.2012
22	Depreciation and Amortisation		
	Depreciation on Fixed Assets	1,227,994	1,575,006
<b>GRAND TOTAL</b>		<b>1,227,994</b>	<b>1,575,006</b>

DESCRIPTION		Year ended 31.03.2013	Year ended 31.03.2012
23	Other Expenses		
A	Manufacturing Expenses		
	Power and Fuel	10,777,969	7,977,042
	Repairs to machinery	13,796	25,235
	Consumption of Stores and Spare parts	2,761,271	1,489,254
	Packing Material	780,294	382,121
<b>SUB TOTAL</b>		<b>14,333,330</b>	<b>9,873,653</b>
B	Office and Administration Expenses		
	Insurance	129,535	144,753
	Legal and Professional	100,167	89,139
	Postage, Telegram, Telex and Telephone	120,412	92,931
	Printing and Stationary	20,455	26,659
	Vehicle Upkeep and Maintenance	172,944	147,007
	Auditor's Remuneration		
	Audit Fees	33,708	25,000
	Tax Audit Fees	5,618	5,000
	For Certification	32,585	-
	Fees and Subscription	183,566	43,407
	Computer Maintenance	84,000	84,000
	Annual Listing Fees	32,589	31,566
	Director's Remuneration	240,000	240,000
<b>SUB TOTAL</b>		<b>1,155,579</b>	<b>929,462</b>
C	Selling and distribution expenses		
	Commission On Sales	18,263	9,020
	Bad-debts	353,949	
	Advertisement and Publicity	99,416	87,074
<b>SUB TOTAL</b>		<b>471,628</b>	<b>96,094</b>
D	Miscellaneous Expenses		
	Miscellaneous Expenses	337,346	78,979
	Loss on sale of fixed assets	-	75,172
<b>SUB TOTAL</b>		<b>337,346</b>	<b>154,151</b>
<b>GRAND TOTAL (A+B+C+D)</b>		<b>16,297,883</b>	<b>11,053,356</b>

# **UNITED TEXTILES LIMITED**

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Notes "24"

## **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 recognises Income and 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 7<sup>th</sup> 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) Deferred tax is accounted at the current rate of tax to the extent of temporary timing differences that originates in one year and are capable of reversal in one or more subsequent years. However, no deferred tax asset is created where there is no virtual certainty as to the sufficient future taxable profit.

#### **viii) CONTINGENT LIABILITIES**

Contingent Liabilities are not provided for in the accounts and are disclosed by way of note.

## **UNITED TEXTILES LIMITED**

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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<br>31 <sup>st</sup> March, 2013 | For The Year Ended<br>31 <sup>st</sup> March, 2012 |
|--------------|--|--|
| (a) Salaries | 2,40,000   | 2,40,000   |
|              | <u>2,40,000</u>                                    | <u>2,40,000</u>                                    |
4. Other liabilities includes amount due to Director is Rs. 260000/- (Previous Year Rs. 74400/-).
5. In the opinion of the management the realisable value of assets other than fixed assets and long term investments, 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.

# UNITED TEXTILES LIMITED

## 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

Contribution to Employees' Provident Fund  
Contribution to Employees State Insurance Fund

	31.3.2012	31.3.2013
	Rs	Rs
	85486	86692
	19,202	19435

### II. Defined Benefit Plans

#### A. Actuarial Assumptions

	Rs	Rs
	Gratuity (Unfunded) 31.3.2012	Gratuity (Unfunded) 31.3.2013
Discount Rate (per annum)	8.50%	8.50%
Future salary increase	6.00%	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) 31.3.2012	Gratuity (Unfunded) 31.3.2013
Present value of obligation at the beginning of the year	255,314	288,761
Current Service Cost	48,881	48,196
Interest Cost	21,702	24,545
Actuarial (gain)/ loss	(37,136)	(42,347)
Benefits paid	-	-
Curtailments	-	-
Settlements	-	-
Present value of obligation at the end of the year	288,761	319,155

#### C. Reconciliation of fair value of plan assets

	Rs	Rs
	Gratuity (Unfunded) 31.3.2012	Gratuity (Unfunded) 31.3.2013
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	-	-

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

	Rs	Rs
	Gratuity (Unfunded) 31.3.2012	Gratuity (Unfunded) 31.3.2013
Present value of obligation at the end of the year	288,761	319,155
Fair value of plan assets at end of the year	-	-
Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	288,761	319,155

#### E. Expenses recognised in the Profit and Loss Account

	Rs	Rs
	Gratuity (Unfunded) 31.3.2012	Gratuity (Unfunded) 31.3.2013
Current Service Cost	48,881	48,196
Interest Cost	21,702	24,545
Expect return on plan assets	-	-
Actuarial (gain)/loss recognised in the period	(37,136)	(42,347)
Past Service Cost	-	-
Curtailments	-	-
Settlements	-	-
Total expenses recognised in the Profit and Loss Account for the year	33,447	30,394
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

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

## 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.)	455,138	211,678
No. of Share Issued	3,000,000	3,000,000
EPS(Basic and Diluted) (in Rs.)	0.17	0.07

## 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.

(Amount in Rs.)

Description	their Relatives	
	Current Year	Previous Year
<b>Salary (Including Allowances)</b>		
Arun Kumar Aggarwal	240,000	240,000
Vivek Kumar Aggarwal	240,000	240,000
<b>Loan Repaid during the year</b>		
Sushil Kr. Aggarwal	500,000	-
<b>Loan Taken during the year</b>		
Sushil Kr. Aggarwal	600,000	
<b>Outstanding Balance as on 31.03.2013</b>		
Unsecured Loan (Sushil Kr. Aggarwal)	367,800	267,800
Other Liabilities (Arun Kr, Aggarwal)	260,000	74,400

# UNITED TEXTILES LIMITED

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

## 12 Consumption of Raw Material, Stores and Spares

	Current Year		Previous Year	
	Value (Rs.)	%age	Value (Rs.)	%age
<u>Raw Material</u>				
Imported	-	-	-	-
Indigenous	79,667,773	100	62,122,386	100
Total	79,667,773	100	62,122,386	100
<u>Stores and Spares</u>				
Imported	-	-	-	-
Indigenous	2,761,271	100	1,489,254	100
Total	2,761,271	100	1,489,254	100

13 Previous year figure have been regrouped/re-arranged to make them comparable with the Current Year's figures.

In terms of our report of even date annexed hereto

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

SUSHIL KUMAR AGGARWAL  
Whole Time Director

G.K. AGGARWAL  
Partner  
M.No.086622

ARUN KUMAR AGGARWAL  
Executive Director

PLACE : New Delhi  
DATED : 30th May, 2013

# UNITED TEXTILES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

DESCRIPTION	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>A. Cash Inflow (Outflow) From Operating Activities</b>		
Net profit Before Tax	616,138	262,348
Add/(Less)		
Depreciation	1,227,994	1,575,006
Interest Income	-	(25,260)
Interest Paid	938,900	839,592
Profit on sale of fixed assets	-	(592,988)
Operating Profit before Working Capital changes	2,783,032	2,058,698
Adjustment for :		
Trade and other Receivable	(650,674)	(911,136)
Inventories	369,081	(2,548,487)
Trade and other Payable	1,288,629	496,608
Cash Generated From Operations Before Tax	3,790,068	(904,317)
Tax Paid/(Tax Refund)	(171,564)	(74,373)
Net Cash Inflow/(Outflow) from Operating Activities	3,618,504	(978,690)
<b>B. Cash Inflow/(Outflow) from Investing Activities</b>		
Acquisition of Fixed Assets	-	(27,250)
Sale of Fixed Assets	-	985,000
Interest Income	22,734	2,526
Net Cash Inflow/(Outflow) from Investing Activities	22,734	960,276
<b>C. Cash Inflow/(Outflow) Arising from Financing Activities</b>		
Secured Loan/Repayment of Loan	(2,371,252)	707,280
Interest Paid	(938,900)	(839,592)
Unsecured Loan	100,000	-
Net Cash Inflow from Financing Activities	(3,210,152)	(132,312)
Net Increase( Decrease) in Cash & Cash Equivalent (A+B+C)	431,086	(150,726)
Add:		
Cash and Cash equivalent at the beginning of the year	441,790	592,516
Cash and Cash equivalent at the end of year	872,876	441,790

Note.

1. Increase /Decrease in Secured and Unsecured borrowings is net of Repayment during the year.

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 : 30th May, 2013

**ARUN KUMAR AGGARWAL**

Executive Director

# 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 Monday 30 September,  
2013 at 11.00 A.M. and at my adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Ledger Folio No \_\_\_\_\_  
Number of Shares held \_\_\_\_\_

Affix Rs. 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 Monday 30 September, 2013 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