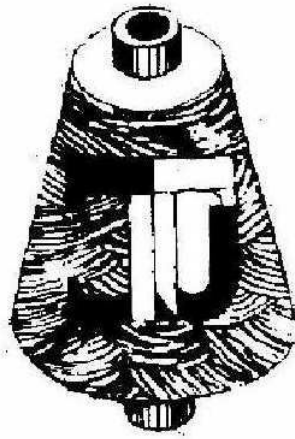


27th ANNUAL REPORT

2019-2020



UNITED TEXTILES LIMITED

REGD. OFFICE & WORKS: 7th K.M. STONE BARWALA ROAD, HISAR-125001 (HARYANA), INDIA

GSTIN : 06AAACU2014M1ZJ | CIN L17115HR1993PLC032092

● Email: unitedtextilesld@gmail.com Website : www.unitedtextileslimited.com

CORPORATE OFFICE: DEVI BHAWAN ROAD, HISAR-125001 Mob. No. : 98963-29823

BOARD OF DIRECTORS

Sh. Arun Kumar Agarwal
Executive Director & CFO

Smt. Shalini Aggarwal

Amit Kumar Aggarwal

Amit Bansal

Sandeep Garg

AUDITORS

M/s P.C. Goyal & Co.
Chartered Accountants

Company Secretary

Reena Kumari

BANKER

Punjab National Bank

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

NOTICE

NOTICE is hereby given that the '27th ANNUAL GENERAL MEETING' of the members of **UNITED TEXTILES LIMITED** (CIN L17115HR1993PLC032092) will be held on Wednesday, the 30th day of September, 2020 at 11.00 A.M. at the Registered office of the Company at 7th K.M Stone, Barwala Road, Hisar – 125001 to transact the following business :-

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2020, together with the Report of the Directors and Auditors' thereon.
2. To appoint a director in place of Smt. Shalini Aggarwal (DIN 00248578) who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

3. To regularize Sh. AMIT KUMAR AGGARWAL (DIN-07079171) appointed by the Board as Director
To consider and, if thought fit, to pass, with or without modification(s), following resolution as an Ordinary Resolution.
"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), if any, Sh. AMIT KUMAR AGGARWAL (DIN-07079171) who was appointed as Additional Director of the Company by the Board of Directors on 13.02.2020 upon the recommendation of Nomination and Remuneration Committee and who holds office up to the date of ensuing AGM, being eligible, be and is hereby regularized and is hereby appointed as Executive Director of the Company whose period of office shall be liable to retirement by rotation."
4. To regularize Sh. AMIT BANSAL (DIN-08623244) appointed by the Board as an Independent Director.
To consider and, if thought fit, to pass, with or without modification(s), following resolution as an Ordinary Resolution.
"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), if any, Sh. AMIT BANSAL (DIN-08623244) who was appointed as Independent Director of the Company by the Board of Directors on 13.02.2020 upon the recommendation of Nomination and Remuneration Committee and who holds office up to the date of ensuing AGM, being eligible, be and is hereby regularized and is hereby appointed as Independent Director of the Company whose period of office shall be liable to retirement by rotation."

10. At the ensuing Annual General Meeting, Smt. Shalini Agarwal who is retiring by rotation, being eligible, offers herself for re-appointment.
11. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be obtained from the Company's Registered office.
12. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.
13. Shareholders seeking any information or clarification on the accounts are requested to send written queries to the Company, at least 10 days before the date of the meeting, to enable the management to keep the required information available at the meeting.
14. As per Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015, the items of business set out in the attached Notice of Meeting are hereby recommended for the consideration and approval of the members.

UNITED TEXTILES LIMITED

- and the system will force you to change your password.
3. How to retrieve your 'Initial password'?
- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If Your Email Id Is Not Registered, Please Follow Steps Mentioned Below In Process for those Shareholders Whose Email Ids Are Not Registered.
- a. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to (Company email id).
- b. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (Company email id).
- f. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- (I) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- (II) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- (III) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- (IV) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- g. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box

UNITED TEXTILES LIMITED

16. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in
17. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
18. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
19. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd September, 2020.
20. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd September, 2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or pk.mittal@indusinvest.com to RTA INDUS Portfolio Private Limited. Such members will also be provided the notice through mail or by post after the cut-off date on request.
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
21. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
22. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
23. Sh. Anil Kumar Jain, Practicing Chartered Accountants (Membership No.088037), has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in [India](#).

UNITED TEXTILES LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ITEM NO. 3

Sh. AMIT KUMAR AGGARWAL (DIN- 07079171) was appointed as an Additional Director of the Company upon the recommendation of Nomination and Remuneration Committee with effect from 13th February, 2020, in accordance with the provisions of Section 161 of the Companies Act, 2013, read with the Articles of Association of the Company.

Pursuant to Section 161 of the Companies Act, 2013, the above director **has been** **re-appointed**

UNITED TEXTILES LIMITED

profile of the said Independent Director, in terms of Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 is provided after this Notice.

The Board accordingly recommends the resolution at Item No. 5 of this Notice for the approval of the Members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives other than those mentioned in the resolution and their relatives, are in any way concerned or interested, financially or otherwise, in the resolution.

ITEM NO. 6

In view of the capabilities of Sh. AMIT KUMAR AGGARWAL (DIN- 07079171) and considering the fact that his remuneration needs to be fixed, the Board of Directors of the Company on the recommendation by the Nomination and Remuneration Committee, fixed his remuneration in the committee meeting held on 1st April, 2020 under the applicable provisions of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013.

However, the Company in order to comply with all the applicable provision of the Companies Act, 2013 in letter and

UNITED TEXTILES LIMITED

- iv. There is some Liquidation problem in the company due to COVID-19 and subsequent lockdown in the country. However, the company has obtained a loan under the scheme "Guaranteed Emergency Credit Line" to improve the liquidity position.

Segmental Review and Analysis

- i. The main Raw Material of our Company is cotton, which is based on Agricultural production of Cotton. The Production is dependent on Monsoon. In Indian climatic condition the monsoon is always an unpredictable factor. Sometimes there is heavy rainfall & sometime the drought situation is created, which affects the production of Cotton to a great extent creating heavy fluctuation in raw material prices. However, the company has somewhat managed situation & earned profit during the year.
- ii. For FY 21, the immediate focus shall be on the recovery of the outstanding and ensuring the earliest dispatches of the

UNITED TEXTILES LIMITED

MEETING

During the year, two Stakeholder Relationship Committee Meetings was held, the provisions of Companies Act, 2013, Secretarial Standards and "SEBI Listing Regulations" were complied in



reported in detail and duly submitted to BSE.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India ("SEBI"). The Company has also implemented several best governance practices. Pursuant to the provisions of Regulation 15 of Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 Company is exempt from filing or annexing the report on Corporate Governance with the Annual Report and also exempted from the requirement of certificate either from the auditors or practicing company secretaries regarding compliance of conditions of corporate governance, but still in order. ■■■

UNITED TEXTILES LIMITED

Annexure - 1

**FORM No. MR – 3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

UNITED TEXTILES LIMITED

UNITED TEXTILES LIMITED

- h. The Industrial Employment (Standing Orders) Act, 1946;
- i. Payment of Gratuity Act, 1972;
- j. The Workmen's Compensation Act, 1923;
- k. Air (Prevention & Control of Pollution) Act, 1981;
- l. Water (Prevention & Control of Pollution) Act, 1986.

UNITED TEXTILES LIMITED

ANNEXURE – 2

A. CONSERVATION OF ENERGY

The following measures have been taken by the company for conservation of energy:-

1. We have replaced the old machines with new modernized fully automatic and computerised machines by which power consumption have been reduced by ~~at least 15% as compared to previous machines.~~

UNITED TEXTILES LIMITED

Annexure - 3

Details Regarding Remuneration of Top Ten Employees of the Company

(Pursuant to Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

AS ON 31.03.2020

S. No.	Name & Age of Employee & Nature of employment (Contractual or permanent)	Qualification & Experience of the Employee	Designation	Remuneration (in INR)	Nature & Date of Commencement of Employment	Detail of Last Employment	% age of shares held by employee along with relatives	Name of Director related to employee, if any.
1	Rajender Kumar Mehta (61) Permanent	B.Tech (36)	MANAGER	242064	01.05.2019	NA	0	NO
2	Devender kumar (48) Permanent	8th (26)	M/C OPERATER	226389	01.05.2019	NA	0	NO
3	Vivek (37) Permanent	8th (15)	M/C OPERATER	197474	01.08.2017	NA	0	NO
4	Chandan (26) Permanent	8th (5)	M/C OPERATER	195082	01.08.2017	NA	0	NO
5	Sunder	GRADUATE	A C O U T A T	103770	01.03.2007	NA	0	NO

UNITED TEXTILES LIMITED

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Sh. Ashok Chhogmal Aggarwal DIN- 07011524 (up to 12.11.19)	Non-Executive & Independent Director	2	1	NO	0		1
Sh. Amit Kumar Aggarwal DIN-07079171 (w.e.f.13/02/2020)	Promoter and Executive Director	1	1	NO	0	0	2
Sh. Amit Bansal DIN- 08623244 (w.e.f.13/11/2019)	Non-Executive & Independent Director	2	1	NO	0	1	2
Sh. Sandeep Garg DIN- 08622421 (w.e.f.13/11/2019)	Non-Executive & Independent Director	2	1	NO	0	2	1

* Sh. Arun Kumar Aggarwal , Smt. Shalini Aggarwal , Sh. Vinod Kumar Aggarwal and Sh. Amit Kumar Aggarwal are related to each other.

As required by the Companies Act, 2013 and SEBI Listing Regulations, none of the directors

1. Hold directorship in more than 10 public companies or

2. Are related to each other.

UNITED TEXTILES LIMITED

(C) Code of Conduct for Board members and Senior Management

The Board of Directors has laid down the code of conduct for all the Board members and members of the Senior Management of the Company. Additionally all independent directors of the company shall be bound by duties of independent directors as set out in the Companies Act, 2013 read with the Schedules and Rules thereunder.

All the Board members and Senior Management personnel have affirmed compliance with the code of conduct.

(d) Disclosure of Directors Inter-se Relationships

Sh. Arun Kumar Aggarwal, Smt. Shalini Aggarwal, Sh. Vinod Kumar Aggarwal & Amit Kumar Aggarwal are related to each other.

(e) Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulation, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit

UNITED TEXTILES LIMITED

the Board of Directors of the Company and has full access to the financial information.

- ii. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible and ensuring timely submission to statutory authorities.
- iii. Reviewing the Management Discussion & Analysis of financial and operational performance.
- iv. Reviewing with the management, the quarterly financial statements and annual financial statements and auditor's report thereon before submission to the board for approval.
- v. Review the adequacy and effectiveness of the company's system and internal control.
- vi. Evaluation of internal financial controls and risk management systems.
- vii. To review the functioning of the Whistle Blower mechanism.

Audit & other duties

- i. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- ii. Discussion with internal auditors of any significant findings and follow up there on.
- iii. Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and internal Auditors considering their independence and effectiveness and their replacement and removal.
- iv. To recommend to the Board the remuneration of the Statutory Auditors and internal auditors.
- v. To grant approval for related party transactions which are in the ordinary course of business and on an arms length pricing basis and to review and approve such transactions subject to the approval of the Board.

The Audit Committee has three members at a time as per the details given in the Director Report supra. All Members of the Audit Committee are financially literate.

During the Financial Year 2019-20, the Audit Committee met 4 times on 20.05.2019, 08.08.2019, 09.11.2019 & 11.02.2020. The attendance of the members of the Committee is given below:

Committee Members	Category	No. of Audit Committee Meetings Attended
Sh. Anil Kumar Gupta (up to 12.11.2019)	Non-Executive, Independent Director	3
Sh. Ashok Chhoggmal Aggarwal (up to 12.11.2019)	Non-Executive, Independent Director	3
Sh. Arun Kumar Aggarwal (up to 12.02.2020)	Executive Director	4
Sh. Amit Kumar Aggarwal (w.e.f. 13.02.2020)	Executive Director	0
Sh. Amit Bansal (w.e.f. 13.11.2019)	Non-Executive, Independent Director	1
Sh. Sandeep Garg (w.e.f. 13.11.2019)	Non-Executive Independent Director	1

(b) Nomination & Remuneration Committee

The nomination and remuneration committee of the Company is constituted in line with the provisions of

UNITED TEXTILES LIMITED

The remuneration policy as adopted by the company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. The workers at the factory as well as those rendering clerical, administrative and professional services are suitably remunerated according to the industry norms. The Committee comprises of following members.

The committee met once during the year on 04.04.2019 and was attended by all the three members as per the detail given below

Committee Members	Category	No. of Committee Meetings Attended
Sh. Anil Kumar Gupta (up to 12.11.2019)	Non-Executive, Independent Director	1
Sh. Ashok Chhoggmal Aggarwal (up to 12.11.2019)	Non-Executive, Independent Director	1
Smt. Shalini Aggarwal	Non-Executive Director	1
Sh. Amit Bansal (w.e.f. 13.11.2019)	Non-Executive, Independent Director	0
Sh. Sandeep Garg (w.e.f. 13.11.2019)	Non-Executive, Independent Director	0

Remuneration Policy: The Whole Time Director is paid remuneration approved by the Board of Directors on the recommendation of Remuneration Committee. The remuneration so approved is subject to the approval by the shareholders at the Annual General Meeting and such other authorities as the case may be. The Non-Executive Directors do not draw any remuneration from the company.

Performance evaluation criteria for Directors: The Nomination and Remuneration Committee has devised a criteria for evaluation of the performance of the Directors including Independent Directors. The said criteria provides certain parameters like attendance, acquaintance with business, communication inter se between board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, benchmarks established by global peers etc., which is in compliance with applicable laws, regulations and guidelines. The detail relating to remuneration of Directors, as required under regulation 34 read with Schedule 5 of the Listing Regulation, have been given hereunder. However, The Executive Director Sh. Arun Kumar Aggarwal has decided to forego his salary to strengthen the profitability of company.

Remuneration paid to Sh. Arun Kumar Aggarwal, Executive Director for the F.Y. 2019-2020

Salary	Nil
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Note: None of the non-executive directors

UNITED TEXTILES LIMITED

3. Smt. Shalini Aggarwal, Member Non Executive Director (up to.12.02.20)
4. Sh. Sandeep Garg ,Chairman Non-Executive& Independent Director (w.e.f. 13.11.19)
5. Sh.AmitBansal, Member Non-Executive & Independent Director (w.e.f. 13.11.19)
6. Sh. Amit Kumar Aggarwal , Member Executive Director (w.e.f. 13.02.20)

No Complaint Received from any Investor During the Year.

The Committee met twice during the financial year on 29.01.20 & 27.02.20. The attendance of the members of the Committee is given below:

Committee Members	Category	No. of Stakeholders Relationship Committee Meeting Attended
Sh. Anil Kumar Gupta (up to 12.11.19)	Chairman Non-Executive, , Independent Director	-
Smt. Shalini Aggarwal (up to 12.02.20)	Non-Executive Director	1
Sh. Amit Kumar Aggarwal, (w.e.f. 13.02.2020)	Executive Director	1
Sh. Amit Bansal, (w.e.f.13.11.2019)	Non-Executive, Independent Director	2

UNITED TEXTILES LIMITED

in accordance with the policy. There were no materially significant related party transactions that would have potential conflict with the interests of the Company at large. Details of related party transactions are given elsewhere in the Annual Report as per Accounting Standard.

It is confirmed that:

- No penalty or strictures have been imposed on the Company by any Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets during the last three years. However, the company was placed under the list of shell companies, which was later on removed by BSE. Further the Company has received certain letter from BSE for some Technical lapses which were duly replied by the Company.
- A Whistle Blower Policy is adopted by the Company, the whistle blower mechanism is in vogue and no personnel have been denied access to the Audit Committee.
- There has been no deviation from the Accounting standards in preparation of annual accounts for the financial year 2019-20.
- All the mandatory requirements of Corporate Governance as prescribed under SEBI Listing Regulation have

UNITED TEXTILES LIMITED

Market Information and Analysis

UNITED TEXTILES LIMITED

5001 to 10000	41	0.99	296050	9.87
10001 to 20000	16	0.38	251914	8.40
20001 to 30000	4	0.10	99800	3.33
30001 to 40000	8	0.19	274700	9.16
40001 to 50000	3	0.07	143500	4.78
50001 to 100000	6	0.15	412483	13.75
100001 and above	4	0.10	498377	16.61
TOTAL	4137	100.00	3000000	100.00

Shareholding Pattern as on 31.03.2020:

Category	No. of Shares	% of Paid-up Capital
Indian Promoters	962433	32.08
Private Corporate Bodies	44747	1.49
Indian Public	1992820	66.43
TOTAL	30,00,000	100.00

Dematerialisation of Shares : As on 31st March, 2020, 18,93,975 shares (63.13%) are in Electronic Form and 11,06,025 shares (36.87%) are in Physical Form.

Plant Location : 7th K.M. Stone Barwala Road, Hisar – 125 001 (Haryana)

Address for Correspondence : United Textiles Limited

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

CIN – L17115HR1993PLC032092

Ph- 9812761843 Email-

UNITED TEXTILES LIMITED

CERTIFICATE OF CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER

To
The Board of Directors
UNITED TEXTILES LIMITED

I, Arun Kumar Aggarwal, Chief Financial Officer of UNITED TEXTILES LIMITED certify that :

I have reviewed the financial statements and the Cash Flow Statement for the year ended 31st March, 2020

UNITED TEXTILES LIMITED

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members,
United Textiles Limited,

We have examined the compliance of the conditions of the Corporate Governance by United Textiles Limited ("the Company") for the Financial Year ended 31st March, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as "Listing Regulations"].

The compliance of the conditions of the Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as

UNION TEXTILE LIMITED
Annual Report 2019-2020

INDEPENDENT AUDITORS' REPORT

To
The Members of **UNITED TEXTILE LIMITED**

UNITED TEXTILES LIMITED

statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and 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, proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books and

UNITED TEXTILES LIMITED

have been applied for the purposes for which they were raised, other than temporary deployment pending allocation.

10. According to the information and explanations given to us and as represented by the Management and

ANNEXURE-B TO INDEPENDENT AUDITORS' REPORT

Meaning of Internal Financial Controls over Financial Reporting

Meaning of Internal Financial Controls over Financial Reporting

UNITED TEXTILES LIMITED

Balance Sheet as at March 31, 2020

CIN No. L17115HR1993PLC032092

(Amount in Rs.)

Particulars		Note No	As at March 31, 2020	As at March 31, 2019
I.	ASSETS			
(1)	Non-current assets			
	(a) Property, Plant and Equipment	1	100,661,406	94,651,072

UNITED TEXTILES LIMITED

Statement of Profit and Loss for the year ended March 31, 2020

(Amount in Rs.)

Particulars	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
(I) Revenue from operations (Gross)	19	89,272,553	67,565,065
Less : Exdse Duty		-	-
Revenue from operations (Net)		89,272,553	67,565,065
(II) Other income	20	258,627	168,921
(III) Total Revenue (I+II)		89,531,180	67,733,986
(IV) Expenses:			
Cost of materials consumed	21	68,303,837	44,687,968
Changes in inventories of finished goods, work in progress and Stock-in-trade	22	(6,705,965)	(418,520)
Employee benefits expense	23	2,931,964	2,783,816
Finance costs	24	2,991,029	2,541,199
Depreciation and amortisation expense	25	2,519,787	2,952,206
Other expenses	26		
Manufacturing Expenses		17,619,250	13,308,119
Office and Administration Expenses		1,452,803	1,551,756
Selling and distribution expenses		76,500	50,900
Miscellaneous Expenses		204,894	158,284
Total Expenses		89,394,099	67,615,728
(V) Profit before tax (III-IV)		137,081	118,258
(VI) Tax expense:			
(1) Current tax		-	167,000
(2) Deferred tax		-	-
(3) Tax related to previous year		2,020	4,389
(VII) Profit for the year after tax (V-VI)		135,061	(53,131)
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
(a) Re-measurement gains (losses) on defined benefit plans		340,790	67,711
Income tax effect on above		-	(17,605)
(b) Equity Instruments through Other Comprehensive Income (Gain on Fair valuation of Long Term Investment)		-	-
Income tax effect on above		-	-
Total Other Comprehensive Income		340,790	50,106
Total Comprehensive Income for the year		475,851	(3,025)
(VIII) Earnings per equity share of face value of Rs. 10/- each:			
(1) Basic		0.16	(0.001)
(2) Diluted		0.16	(0.001)

Significant accounting policies and notes to the financial statements

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In terms of our report of even date annexed hereto

For P.C. Goyal & Co.,
Chartered Accountants
Firm Registration No. 002368N

ARUN KUMAR AGGARWAL
(Whole-time Director)
DIN No: 00248510

(M.P. Jain)
Partner
M. No. 082407
Place : Hisar
Date: July 10, 2020

SHALINI AGGARWAL
(Director)
DIN No: 00248578

UNITED TEXTILES LIMITED

Notes forming part of Balance Sheet and Statement of Profit and Loss

	DESCRIPTION	As at March 31, 2020	As at March 31, 2019
2	Other Non Current Financial Assets		
	Security Deposits		
	Unsecured, Considered good	1,706,836	1,403,121
	Total Other Non Current Financial Assets	1,706,836	1,403,121

	DESCRIPTION	As at March 31, 2020	As at March 31, 2019
3	Inventories		
	Raw Materials	25,079,925	27,546,898
	Work in Progress	840,000	840,000
	Finished Goods	3,318,810	3,784,295
	Store and Spares	4,014,150	2,989,476

UNITED TEXTILES LIMITED

	DESCRIPTION	As at March 31, 2020	As at March 31, 2019
9	Other Current Assets		
	Prepaid Expenses	122,890	24,777
	Advance Recoverable in Cash or in kind		
	Unsecured, Considered good	5,711,273	1,094,497
	Advance to vendor	200,740	1,135,111
	Prepaid Bank Charges		-
	Total Other Current Assets	6,034,903	2,254,388

	DESCRIPTION	As at March 31, 2020	As at March 31, 2019
10	SHARE CAPITAL		
(a)	AUTHORISED CAPITAL		
	32,50,000 Equity Shares of Rs. 10/- Each		32,50,000
			32,50,000
(b)	ISSUED, SUBSCRIBED AND PAID UP		
	30,00,000 Equity Shares of Rs. 10/- Each		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	3,000,000	3,000,000
	Shares outstanding at the end of the year	3,000,000	3,000,000

(d) Details of Shareholding more than 5% shares in the company			
S.No.	Name of shareholders	% of shareholding as on 31.03.2019	% of shareholding as on 31.03.2017
			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
-----	--	--	-----

	DESCRIPTION	As at March 31, 2020	As at March 31, 2019
	RESERVES AND SURPLUS		
	Surplus in Statement of Profit and Loss:		
	Profit/ (Loss) Brought Forward	73,886,001	73,889,026
	Add: Fair value of land under property, plant and equipment under transition to IND AS	-	-
	Add: Profit after tax transferred from Statement of Profit and Loss	475,051	(3,025)
	Less: Previous Year Taxation Adjustments		-
	Less: Adjustment of Depreciation as per Revised Companies Act, 2013 where useful life of asset is Nil		-
	Total Reserves and Surplus	74,361,052	73,886,001

	DESCRIPTION	As at March 31, 2020	As at March 31, 2019
11	Non Current Borrowings		
	Secured Long Term Borrowings		
	Term Loan From Bank against Machinery*	10,519,571	-
	Loan for Vehicle	560,104	-
	Total Non Current Borrowings	11,079,675	-

*Machinery loan is secured by way of hypothecation of Fixed Assets of the company. The loan is repayable in equated monthly instalment of Rs. 2,41,717/- p.m.

UNITED TEXTILES LIMITED

	DESCRIPTION	As at March 31, 2020	As at March 31, 2019
12	Non Current Provisions		
	For Employee Benefits		
	Gratuity (unfunded)	289,008	506,645
	Total Non Current Provisions	289,008	506,645

	DESCRIPTION	As at March 31, 2020	As at March 31, 2019
13	Current Borrowings		
A	Secured Short Term Borrowings		
	Working Capital Demand Loan from Bank*		19,244,949
	Term Loan from bank against fixed deposit	4,611,217	4,151,457
B	Unsecured Short Term Borrowings		
	Loan from Directors		2,552,800
	Total Current Borrowings	26,811,137	25,964,206

*Working Capital Facility is secured by way of hypothecation of stock and book debts of the Company namely finished good, raw material, work in progress, consumable stores and spares, book debts, bill receivables and by way of First charge in respect of other moveable and immovable properties of the Company. Working Capital Facility is repayable on demand 100%

UNITED TEXTILES LIMITED

	DESCRIPTION	As at March 31, 2020	As at March 31, 2019
18	Current Provisions		
	a) For Employee Benefits		
	Gratuity (Unfunded)	3,845	10,526
	Total Current Provisions	3,845	10,526

	DESCRIPTION	Year Ended March 31, 2020	Year Ended March 31, 2019
19	Gross Revenue from Operation		
	Sale of Product		
	Sales from Operations	89,133,361	66,785,703
	Other Operating Revenue		
	Hank Yarn Obligation Transfer	35,192	779,362
	Miscellaneous Receipt/Sales	104,000	-
	Total Gross Revenue from Operation		67,564,065
(I)	SALES		
	Manufactured Goods		
	Cotton Yarn	81,660,571	63,203,084
	Scrap	7,472,790	3,582,619
	Total Sales	89,133,361	66,785,703

	DESCRIPTION	Year Ended March 31, 2020	Year Ended March 31, 2019
20	Other Income		
	Interest Income on Fixed Deposits/Security Deposit	185,208	168,921
	Profit on Sale of Fixed Assets	71,369	-
	Cash Discount Received	-	-
	Insurance Claim received	-	-
	Liabilities written back (INCOME TAX REFUND)	2,050	-
	Total Other Income	258,627	168,921

	DESCRIPTION	Year Ended March 31, 2020	Year Ended March 31, 2019
21	Cost of Material Consumed		
	Raw Material Consumed	68,303,837	44,687,968
	Total Cost of Material Consumed	68,303,837	44,687,968

	DETAIL OF RAW MATERIAL CONSUMED		
	Waste Cotton	68,303,837	44,687,968
	Total Raw Material Consumed	68,303,837	44,687,968










	DESCRIPTION	Year Ended March 31, 2020	Year Ended March 31, 2019
26	Other Expenses		
A	Manufacturing Expenses		
	Power and Fuel	12,051,375	10,725,183
	Repairs to machinery	1,291,619	2,000
	Repair & Mtc. (Shed & Building)	43,133	-
	Consumption of Stores and Spare parts	3,351,922	2,140,681
	Packing Material	881,201	440,256
	Total Manufacturing Expenses	17,619,250	13,308,120
B	Office and Administration Expenses		
	Insurance	121,093	104,306
	Legal and Professional	333,450	77,100
	Postage and Telephone	60,738	85,573
	Printing and Stationary	38,140	-
	Vehicle Upkeep and Maintenance	30,038	34,850
	Sales Tax paid against tax payment		86,625

(Amount in Rs.)	
Balance as at 31st	
March, 2020	
3,00,00,000	

(Amount in Rs.)	
Comprehensive Income	Total
Classified to Profit	
Retained Earnings	7,38,38,026
Retained Benefit Plans	(13,131)
	7,38,36,001
	1,48,152
	1,48,152
	3,40,790
	4,38,942
	7,43,51,852

Board of Directors

SAGGARWAL
Director
248510

CARWAL
Director
248578

UNITED TEXTILES LIMITED

Significant Accounting Policies and Notes of Financial Statement

Note No-27

1. Corporate and General Information

United Textiles Limited ("UTL") or ("the Company") is domiciled and incorporated in India. The Company is engaged in the business of manufacturing of cotton yarn.

2. Basis of preparation

The financial statements have been prepared complying in all material respects with the Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2015. The financial statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented.

The significant accounting policies used in preparing the financial statements are set out in Note no. 3 of the Notes to

UNITED TEXTILES LIMITED

carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use). The carrying amount is reduced to its recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss.

The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired

UNITED TEXTILES LIMITED

Financial Assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest amount outstanding.

Financial Assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held

UNITED TEXTILES LIMITED

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a

UNITED TEXTILES LIMITED

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The management has considered the tax laws and regulations and has made the provision for income taxes and deferred tax assets and liabilities on the basis of the management's judgment.

UNITED TEXTILES LIMITED

Credit risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

- Trade Receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The ageing of trade receivable is as below:

(Amount in Rs.)

Particulars	Neither due nor impaired	Past due			Total
		upto 6 months	6 to 12 months	Above 12 months	
As at March 31, 2020					
Trade receivable					
Unsecured	-	1,13,24,284	-	31,39,881	1,44,64,165
Gross Total	-	1,13,24,284	-	31,39,881	1,44,64,165
Provision for doubtful	-				-
Net Total	-	1,13,24,284	-	31,39,881	1,44,64,165
As at March 31, 2019					
Trade receivable					
Unsecured	-	64,02,536	-	31,39,881	95,42,417
Gross Total	-	64,02,536	-	31,39,881	95,42,417
Provision for doubtful	-				-
Net Total	-	64,02,536	-	31,39,881	95,42,417

Liquidity risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and

UNITED TEXTILES LIMITED

Fair Value hierarchy

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices/NAV for identical instruments in an active market;

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data.

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair

value hierarchy of an asset or liability

UNITED TEXTILES LIMITED

7. Segment information

Information about primary segment

Company operates in a Single Primary Segment (Business Segment) i.e. Cotton Yarn.

Information about Geographical Segment - Secondary

UNITED TEXTILES LIMITED

Reconciling tables set forth the changes in the projected benefit obligation and plan assets and amounts recognized in the Balance Sheet as of March 31, 2020 and March 31, 2019, being the respective

UNITED TEXTILES LIMITED

10.5. Recognised in other comprehensive income

(Amount in Rs)	
Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	(67,711)
For the year ended March 31, 2019	(67,711)
Remeasurement - Actuarial loss/(gain)	(3,40,790)
For the year ended March 31, 2020	(3,40,790)

10.6. The principal actuarial assumptions used for estimating the Company's defined benefit obligations

are set out below.

UNITED TEXTILES LIMITED

10.8. History of experience adjustments is as follows:

Particulars	(Amount in ₹)	
	Gratuity	Leave encashment
For the year ended March 31, 2019		
Plan Liabilities - (loss)/gain	80,794	-
Plan Assets - (loss)/gain	-	-
For the year ended March 31, 2020		
Plan Liabilities - (loss)/gain	3,80,591	-
Plan Assets - (loss)/gain		

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Particulars	(Amount in ₹)	
	Gratuity	
0 to 1 year	3,845	
1 to 2 year	3,776	
2 to 3 year	5,264	
3 to 4 year	5,180	
4 to 5 year	5,274	
5 to 6 year	5,295	
6 year Onwards	2,64,219	

10.9. Statement of Employee benefit provision

Particulars	(Amount in ₹)	
	Year ended March 31, 2020	Year ended March 31, 2019
Gratuity	86	89

12,111,111 4,224,123 1,111,111

11. Employee benefit expenses

(Amount in Rs.)

Statement

2018

2017

2016

2015

2014

2013

2012

2011

2010

2009

2008

2007

2006

2005

2004

2003

2002

2001

2000

1999

1998

1997

1996

1995

1994

(Particulars)

Related party name and relationship

Key Management Personnel

Arun Kumar Aggarwal (Whole Time Director)
 Shalini Aggarwal (Director)
 Vinod Kumar Aggarwal (Director)
 Man Mohan Aggarwal (Relative of KMP)
 Sushil Kumar Aggarwal (Relative of KMP)

Related Party Transactions:

(Amount in Rs.)

Description	Key Management Personnel and their Relatives	
	Current Year	Previous Year
Salary (Including Allowances)		
Arun Kumar Aggarwal	Nil	2,40,000
Man Mohan Aggarwal	Nil	2,40,000

Related Party Balances:

(Amount in Rs.)

Unsecured Loan	Current Year	Previous Year
Sushil Kumar Aggarwal	Nil	3,67,800
Arun Kumar Aggarwal	7,05,000	7,05,000
Shalini Aggarwal	7,95,000	7,95,000
Vinod Kumar Aggarwal		

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity.

16. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

Impact of COVID 19:

COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities etc. during the lock-down period which has been extended till May 31, 2020. However, production and supply of goods has commenced from May 1, 2020 at the manufacturing location of the Company after obtaining permissions from the appropriate government authorities. All necessary precautions relating to hygiene, sanitization, social distancing, care and protection of the employees would continue to be followed.

The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. It was also assessed the probability of occurrence of forecasted transactions under the existing relationships and conditions to validate them as highly probable considering the orders in hand. The situation is changing rapidly, giving rise to a high degree of uncertainty as to the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these standalone financial statements. The Board of Directors has considered the impact of the COVID-19 on the business and has concluded that the impact is not material and the financial statements are not materially affected.

The Notes 1 to 7 are annexed and form an integral part of Financial Statements.

UNITED TEXTILES LIMITED

Cash Flow Statement for the year ended March 31, 2020.

UNITED TEXTILES LIMITED

UNITED TEXTILES LIMITED

Regd. Office & Works: 7th K.M. Stone, Barwala Road, Hisar – 125 001 (Haryana)

PH No. 01662-276182, Fax No. 01662-276182

CIN – 11741CUP100701652002 Ltd. United Textiles Limited www.untl.com



UNITED TEXTILES LIMITED

Regd. Office & Works: 7th K.M. Stone, Barwala Road, Hisar – 125 001 (Haryana)

PH No. 01662-276182, Fax No. 01662-276182

CIN – L17115HR1993PLC032092, E-mail Id: unitedtextilesld@gmail.com

Website : <http://www.unitedtextileslimited.com>

ATTENDANCE SLIP

27th ANNUAL GENERAL MEETING on Wednesday ,the 30th day of September,2020 at 11:00 a.m. at 7th K.M Stone. Barwala Road, Hisar – 125001 (Haryana)

NAME	
Address	
Registered Folio No./DP Id & Client Id	
Shareholder/Proxy/Authorised Representative	
MOBILE NO.	
E- MAIL ID	

I/We hereby record my/our presence at 27th Annual General Meeting (AGM) of the Company being held on Wednesday, the 30th day of September, 2020.

BOOK-POST

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REGD. OFFICE: 7th K.M. Stone Barwala Road
HISAR: 125001 (Haryana) INDIA