

# 19<sup>th</sup> Annual Report 2008-09



TEXTILES LIMITED

TEXTILES

\*

INFRASTRUCTURE PROJECTS

## **CONTENTS**

	<b>Page</b>
Board of Directors .....	1
Notice.....	2
Directors' Report.....	6
Management Discussion & Analysis Report.....	14
Corporate Governance Report.....	16
Auditors' Report.....	28
Balance Sheet.....	31
Profit & Loss Account.....	32
Schedules .....	33
Notes on Accounts & Accounting Policies.....	41
Cash Flow Statement.....	49

---

**BOARD OF DIRECTORS****TEXTILES LIMITED**

**Vijay Kumar Gupta** : Chairman and Managing Director

**Susheel Kumar Gupta** : Executive Director

**M. Srikanth Reddy**

**K .Srinivas Reddy**

**Malreddy Ranga Reddy**  
(Up to 27th September,2008)

**K. Bhupal Reddy**

**Company Secretary**

S Nagarajan

**Statutory Auditors**

M/s. Laxminiwas & Jain  
Chartered Accountants  
5-4-726, Station Road, Nampally  
Hyderabad - 500 001

**Internal Auditors**

M/s. Laxminiwas & Co.,  
Chartered Accountants,  
Plot No: 15 & 16,  
Panchavati Colony,  
SECUNDERABAD - 500 001.

**Bankers**

State Bank of India  
Industrial Finance Branch  
Somajjiguda  
HYDERABAD - 500 082

Axis Bank Limited  
Begumpet  
Hyderabad-500 016

**Registrars & Transfer Agents**

M/s. Aarthi Consultants Private Limited  
1-2-285, Domaiguda  
Hyderabad-500 029

**Registered Office :**

Surya Towers, Ground Floor  
104, Sardar Patel Road  
Secunderabad - 500 003

**Factory:**

Survey No: 139 to 141 & 143  
Village Rajapoor, Mandal : Balanagar,  
Dist: Mahaboobnagar, A. P

**Wholesale Depot :**

Plot No: 46, Road: 12  
APIIC, Katedan,  
Hyderabad - 500077

**Retail Show Rooms:**

1. Surya Towers, Ground Floor  
104, Sardar Patel Road  
Secunderabad - 500 003
2. 6-3-852/3,  
Near Lal Bunglow,  
Ameerpet,  
Hyderabad - 500016
3. 3.2-22-306/A/2, Plot No: 6 & 7  
Survey No:178 & 179,  
Bhagyanagar Colony, Phase-II,  
Kukatpally, Hyderabad - 500072.
4. D.No:23-27/A, Sy No.127 & 130/1,  
Kothapet, Dilsukhnagar,  
Hyderabad - 500060.

## NOTICE



## TEXTILES LIMITED

**NOTICE** is hereby given that the Nineteenth Annual General Meeting of the Members of **VIJAY TEXTILES LIMITED** will be held on Thursday, the **24th September, 2009 at 11.00 A.M** at Surana Udyog Auditorium, The Federation of AP Chamber of Commerce & Industry, Federation House, 11-6-841, Red Hills, Hyderabad -500004 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the year ended 31st March, 2009 along with the Auditors' Report and Director's Report thereon.
2. To declare Dividend on the Equity Shares of the Company for the year ended 31st March, 2009.
3. To appoint a Director in the place of Shri K. Bhupal Reddy, who retires by rotation and being eligible offers himself for re-appointment.
4. To consider re-appointment of M/s. Laxminiwas & Jain, Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass the following Resolution with or without modifications(s) as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provision of Section 198,269,309,314 and other applicable provision if any of the Companies Act, 1956 read with Schedule XIII thereof as amended up to date, the consent of the Company be and is hereby accorded to re-appoint Shri Vijay Kumar Gupta, Chairman & Managing Director of the Company for a period of five years with effect from 1st April 2009 to 31st March, 2014 as set out below.

#### Salary

Rs. 2, 12,000/- per month including the following

#### Perquisites:

Provision of perquisites and benefits classified into three categories A, B, C, as appearing hereinafter:

#### Category A:

- a. The Company shall provide maintained accommodation for residence including payment of society outgoing electricity charges, water charges etc.
- b. Free use of motor car with driver provided by the Company for business purposes and in the performance of the duties. The Company shall meet all the running, maintenance and other incidental expenses of every kind whatsoever incurred in respect thereof.
- c. Provision for means of communication, mobile phones and telephones at residence. All charges whereof including rental, call charges, costs etc. shall be paid or reimbursed by the Company in full.
- d. Medical Reimbursement and hospitalization: Expenses incurred for self and the family.
- e. Leave Travel Allowance: For self and the family once in a year incurred in accordance with the Company policy.
- f. Personal Accident Insurance: Payment of premium for personal accident insurance cover
- g. Club Fees: Monthly subscription fees of clubs will be reimbursed subject to a maximum of two clubs but not admission/life membership fees.
- h. Children Education Allowance Subject to a ceiling of Rs. 2400/- PA

#### Explanation:

For the purpose of Category A, "family" shall mean and include his spouse, dependent children and dependent parents.

## Notice (Contd.)



## TEXTILES LIMITED

### Category B:

- a) Contribution by the Company to Provident Fund and Superannuation Fund or Annuity Fund as per the rules of the Company.
- b) Gratuity payable as per the Rules of the Company.
- c) Encashment of leave at the end of the tenure.

### Category C:

Such other benefits or payments in accordance with the schemes and rules applicable to all employees of the Company from time to time

"FURTHER RESOLVED THAT the aforesaid limits are interchangeable within the overall limits of the remuneration"

By Order of the Board  
For **Vijay Textiles Limited**

Place : Secunderabad  
Date : 29th June, 2009

**S Nagarajan**  
Company Secretary

Registered Office :  
Surya Towers, Ground Floor  
104, Sardar Patel Road  
Secunderabad - 500 003

## NOTES FOR MEMBERS ATTENTION:

1. A member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote on a poll instead of him self and the proxy need not be a member of the company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting.
2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold share in physical form are requested to write their Folio Number in the Attendance slip for attending the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
7. a. The Company has already notified Closure of the Register of Members and Transfer Books from 19th September, 2009 to 24th September, 2009 (both days inclusive) for determining the names of the Members eligible for dividend on Equity Shares, if declared at the Meeting.  
b. The dividend on Equity Shares, if declared at the Meeting, will be paid on or after 19th September, 2009 to those Members whose names shall appear on the Company's Register of Members on 18th September, 2009. In respect of Shares in dematerialized form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories as at the end of business on Friday 18th September, 2009.

8. a. In order to provide protection against fraudulent encashment of dividend warrants, Members who holds Shares in Physical form are requested to intimate the Company's Registrars and Transfer Agents, M/s. Aarhi Consultants Pvt Ltd., and the signature of the Sole/First joint holder, the following information to be incorporated on dividend warrants.
- (i) Name of the Sole/First joint holder and the Folio Number.
  - (ii) Particulars of Bank Account, viz :
    - a) Name of Bank.
    - b) Name of Branch
    - c) Complete address of the Bank with Pin Code Number.
    - d) Account type, weather Savings Account (SA) or Current Account (CA)
    - e) Bank Account Number
- b. Members who hold shares in dematerialized form may kindly note that their Bank Account details, as furnished by their Depositories of the Company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and Company will not entertain any direct request from such Members for deletion of or change such Bank Account details. Further, instructions, if any, already given by them in respect of Shares held in Physical form will not be automatically applicable to Shares held in electronic form. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change the complete details of Bank Account.
9. Members who hold shares in Physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the Shares Certificates to the Company's Registrars and Transfer Agents, M/s Aarhi Consultants Pvt Limited, for consolidation into a single folio.
10. Non-Resident Indian Members are requested to inform the Company's Registrars and Transfer Agents, M/s Aarhi Consultants Pvt Limited, immediately of :
- a) The Change in the Residential status on return to India for permanent settlement.
  - b) The particulars of the Bank Account, maintained in India, with complete name, branch, account type, account number and address of Bank, with PIN Code Number, if not furnished earlier.
11. Members desirous of obtaining any information concerning the accounts/operations of the Company are requested to send their queries at least seven days before the date of the meeting, to the Company so that information required may be made available at the meeting.
12. The Shares of the Company continue to be listed on the Stock Exchanges at Mumbai and the Company has paid up to date all the listing fee to the exchanges.

By Order of the Board  
For **Vijay Textiles Limited**

**S Nagarajan**  
Company Secretary

Place : Secunderabad  
Date : 29th June, 2009

Registered Office :  
Surya Towers, Ground Floor  
104, Sardar Patel Road  
Secunderabad - 500 003

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956. IN RESPECT OF SPECIAL BUSINESS**

**ITEM 3:**

**REAPPOINTMENT OF RETIRING DIRECTORS:**

As required by Clause 49 of the Listing Agreement on Corporate Governance particulars of the Directors being reappointed are provided here under.

Shri K. Bhupal Reddy, aged about 69 years is engaged in business of Civil and Engineering contracts and has professional experience of over 42 years behind him. He is also the Managing Director of NLR Property Developers Private Limited., a Company engaged in the business of development of real estate activities. In addition to the above he was also holding Directorship as a Nominee Director on behalf of Financial Institutions for advising on various financial disciplines matters. Further he was a member in Creative Advisory Committee of All India Prasara Bharati.

Since our company has ventured into development of infrastructure projects like IT parks under the Industrial Park Scheme of Government of India, we feel his experience in the real estate field is very valuable to the Company. Further his advice, guidance and active participation will continue greatly help our Company in its endeavor in this new field.

**ITEM 4:**

Shri Vijay Kumar Gupta was appointed as Chairman and Managing Director of the Company for a period

of 5 years with effect from 1st April 2004 until 31st March 2009. His term has expired on 31st March, 2009. The terms of his appointment and the remuneration were approved by the Members of the Company at the Annual General Meeting held on 20th August, 2004, 28th September, 2006 and 27th September, 2008. The Company has achieved tremendous all-round progress under his able guidance and administration. The Board of Directors at their meeting held on 29th June, 2009 have decided to reappoint him as Chairman and Managing Director for five years with effect from 1st April, 2009. The Board of Directors recommends the resolution for the approval of the Members.

Except Shri Vijay Kumar Gupta and Shri Susheel Kumar Gupta no other Director is interested in this Resolution.

By Order of the Board  
For **Vijay Textiles Limited**

Place : Secunderabad  
Date : 29th June, 2009

**S Nagarajan**  
Company Secretary

Registered Office :  
Surya Towers, Ground Floor  
104, Sardar Patel Road  
Secunderabad - 500 003

Dear Members,

Your Directors have pleasure in presenting the 19th Annual Report and the Audited Statement of Accounts of the Company for the Financial Year ended 31st March 2009.

**1. FINANCIAL RESULTS**

The performance of the Company during the year has been as under:

	2008-09	(Rs. in Lacs) 2007-08
Sales and Other Income	<b>11802.39</b>	10025.42
Net Profit for the year	<b>641.81</b>	1003.63
Less: Taxation		
a. Income Tax - Earlier Years	<b>0.03</b>	16.15
b. Provision for Taxation - Current Year	<b>139.90</b>	195.00
c. Fringe Benefit Tax	<b>8.03</b>	7.68
d. Deferred Tax	<b>84.73</b>	147.68
Profit After Tax	<b>409.12</b>	637.12
Add: Profit brought forward from last year	<b>1035.86</b>	1000.56
Total available for appropriations	<b>1444.98</b>	1637.68
Proposed Dividend	<b>115.00</b>	172.50
Corporate Tax on Dividend	<b>19.54</b>	29.32
Transfer to General Reserves	<b>500.00</b>	400.00
Balance carried forward to Balance Sheet	<b>810.44</b>	1035.86

**2. DIVIDEND**

Your Directors have recommended a Dividend of 10% for the financial year ended 31st March, 2009, which if approved at forthcoming Annual General Meeting, will be paid to (i) all those Equity Shareholders whose names appear in the Register of Members as on 18th September, 2009 and (ii) to those whose names as beneficial owners are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of business on 18th September, 2009.

**3. OPERATIONS**

Your Company has shown good financial results for the year ended 31 March 2009. The sales and other income for the year were Rs. 11802.39 Lakhs and net profit of Rs. 641.81 Lakhs as compared to Rs. 10025.42 Lakhs of sales and other income and net profit of Rs. 1003.63 Lakhs achieved in the last financial year respectively. The marginal decrease in profit for the year is on account of increased cost of funds due to hardening of interest rates by banks and outgo on account of foreign exchange fluctuations in Foreign Currency Demand Loan availed by your company.

Your Company has, commissioned the new Embroidery Facility at its unit in Rajapoor Village, Mahaboob Nagar District during the financial year under review and commenced operations of the new facility from 10th March 2009. Your company expects to gain substantial mileage from this new facility by way of value addition to the products manufactured by your company. Hitherto fore the company had been outsourcing the embroidery on its products on job work basis. The new facility will offer the company two fold advantages



firstly by saving on the outsourcing costs as in-house embroidery on the products would be much cheaper and secondly the machine embroidered products have a great consumer appeal and acceptability in the contemporary markets. By setting up new embroidery facility at its Rajapoor unit premises your company has fulfilled its long felt need to have its own embroidery unit to enhance the product value.

Your company has opened its fourth Furnishing Mall in the twin cities of Hyderabad and Secunderabad at Dilsukhnagar on 25th June 2009 with big fanfare. The mall is truly a state of the art work having world class that provides very congenial ambience to the clientele. The mall is very ideally located in the midst of rapidly developing upscale market.

Your company's infrastructure project named as "Tech-Park" is progressing albeit with delays owing to market conditions, at a steady pace and is expected to be put to commercial operations in the second half of the current financial year.

#### **4. FUTURE PLANS**

Your Company has achieved grand success in its foray in to retail segment, precisely because of its long expertise in manufacturing and wholesale trade and core experience gained from the retail activity. The company's latest ventures viz. Kukatpally Showroom and the recently opened Dilsukhnagar Showroom are such fine examples of its vision and retail strategy as the new mega retail showrooms have proved to be an instant success from the word go.

Your Company shall continue to harbor its plans for further retail expansion in other potential areas in the Twin Cities of Hyderabad and Secunderabad besides other metros in a phase manner. In continuing with these efforts your company's next and fifth new furnishing mall at AS Rao Nagar in Hyderabad is expected to commence operations in August/September 2009.

Besides, your Company will continue to strive to further strengthen its well networked wholesale business across the Country.

Your company in a bid to bring value addition to its products has commissioned its in-house embroidery section in March 2009. The company was hitherto fore outsourcing the embroidery on its products. This facility has provided the much needed impetus to the exclusive range of products manufactured by your company as machine embroidered products are much more in demand because of superiority enjoyed over hand embroidered ones.

Buoyed by success of its first embroidery venture for in house embroidery on its products, the company is now gearing up to expand the facility by setting up second phase of the embroidery facility. The company intends to import 21 more set of embroidery machines from Japan in addition to its existing strength of 8 set of machines and hope to commence operations of the phase II in the Second half of current financial year.

The tech-park project is progressing now and is expected to be completed for operations in the second half of current financial year. Your company will be able to derive the advantages as envisaged under the scheme of Central Government for development of I.T. Parks such as tax free holiday and various other incentives once the project becomes operational. The project once completed will substantially add to your company's income by way of lease rental income, thus greatly improving its profitability further. Your company has projected lease rental income of Rs. 18-20 Crores from this project. The company is also moving towards advanced stage for entering into lease agreements with the prospective STPI approved multinational and Indian companies of repute in the near future. The delay in completion and leasing out this property is attributed to global slowdown which has greatly impacted this sector in particular. However, as the scenario is changing albeit slowly, your company is hopeful of realizing its dream project in the second half of the financial year in progress.

**5. RESERVES**

During the year your Company has transferred an amount of Rs 500.00 Lakhs to General Reserves Account.

**6. FIXED DEPOSITS**

Your Company has not accepted or invited any Deposits and consequently no Deposits have matured/ become due for re-payment as on 31st March, 2009.

**7. DIRECTORS**

Pursuant to the provisions of the Companies Act 1956 and Articles of Association of the Company, Shri. Bhupal Reddy retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The brief particulars of the Directors seeking re-appointment ensuing Annual General Meeting, is being annexed to the Annual Report.

**8. AUDITORS' OBSERVATIONS**

Observations of the Auditors, when read together with the relevant notes to the Accounts and Accounting Policies, are self-explanatory.

**9. AUDITORS**

The Auditors, M/s. Laxminiwas & Jain, Chartered Accountants, Statutory Auditors, retire at the forthcoming Annual General Meeting and are eligible for re-appointment.

**10. COST AUDITORS:**

The cost accounts records maintained by the Company for the products manufactured are subject to yearly audit by the qualified Cost Auditors. Your Company has appointed Shri. A.V.N.S. Nageswara Rao, a qualified Cost Auditors for conducting the audit of Cost Account records for financial year 2008-2009.

**11. ENVIRONMENT AND HUMAN RESOURCE DEVELOPMENT**

Your company always believes in keeping the environment pollution free and is fully committed to its social responsibility. The Company has been taking utmost care in complying with all pollution control measures from time to time strictly as per the directions of the government. In particular, your company has laid special emphasis on this aspect at its new manufacturing facility at Rajapoor commissioned recently as explained in this report above.

We would like to place on record our appreciation for the efforts made by the Management and the keen interest taken by the Employees of your Company in this regard.

**12. CORPORATE GOVERNANCE**

Your Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance enunciated in Clause 49 of the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance is annexed herewith, forming part of the Annual Report along with the Auditors' Certificate on its compliance.

**13. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report, pursuant to Clause 49 of the Listing Agreement, forms part of this Report and is annexed hereto.

**14. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirements of Section 217(2 AA) of the Companies Act, 1956 and on the basis of explanation given by the executives of the Company and subject to disclosures in the Annual Accounts and

also on the basis of discussions with the Statutory Auditors of the Company from time to time, we state as under:

- i. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. That the Directors had selected such accounting policies and applied them consistently and made judgment 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 or loss of the company for that period;
- 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;

## **15. STATUTORY INFORMATION**

### **A. Particulars of Employees:**

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended the names and other particulars of the employees are given in Annexure( 2) to the Director's Report .

### **B. Conservation of Energy, Foreign Exchange etc.**

Information on Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required to be disclosed under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are provided in a separate statement attached hereto and forming part of this report.

## **16. EMPLOYEE RELATIONS**

Your Directors are pleased to record their appreciation for the sincere and dedicated services of the employees and workmen at all levels.

## **17. ACKNOWLEDGEMENTS**

The Directors wish to acknowledge and record their appreciation of the continued support and assistance received by your Company from its Bankers viz. State Bank of India, Axis Bank Limited, Central Bank of India and Officials of the concerned Departments of the State and Central Governments. The Directors also wish to thank all the employees for their contribution and continued support throughout the year and the Members for the confidence reposed by them in the Management..

For and on behalf of the Board

Place : Secunderabad

Date : 29th June, 2009

**Vijay Kumar Gupta**

Chairman & Managing Director

**FORM A**  
**[Forming part of Annexure (I)]**

**Disclosure of Particulars with respect to conservation of Energy:**

(Rs. in Lacs)

	<b>31.03.2009</b>	31.03.2008
<b>I. Energy Conservation:</b>		
<b>A. Power &amp; Fuel Consumption:</b>		
1. Electricity		
a) Purchased		
Units	<b>20,66,585</b>	21,91,278
Total amount (Rs.)	<b>78,28,043</b>	84,89,065
Units Rate (Rs.)	<b>3.79</b>	3.87
b) Own Generation		
Through Diesel Generator		
Units	<b>44,032</b>	1,74,291
Units per ltr. of Diesel oil	<b>3.20</b>	3.20
Cost/Unit (Rs.)	<b>11.48</b>	10.81
2. Coal used in Boiler		
Quantity (Tones)	<b>Nil</b>	Nil
Cost (Rs.)	<b>Nil</b>	Nil
Average Rate (Rs.)	<b>Nil</b>	Nil
3. Furnace Oil (HSD)		
Quantity (K. Ltr.)	<b>Nil</b>	Nil
Total Amount (Rs.)	<b>Nil</b>	Nil
Average Unit/Ltr	<b>Nil</b>	Nil
4. Others/Internal generation		
Quantity (Tones)	<b>7149</b>	7,646
Total Cost	<b>1,20,10,410</b>	1,06,86,679
Average Rate (Rs.)	<b>1680</b>	1,398
<b>B Consumption per unit of production (Linear meter)</b>		
Electricity	<b>0.24</b>	0.18
Furnace Oil	<b>Nil</b>	Nil
Coal (Kgs.)	<b>Nil</b>	Nil
Others(Firewood)(Kgs.)	<b>0.83</b>	0.58
<b>2. Technology Absorption:</b>	The Company has its In - house Design Department continuously develop innovative designs and to select the most suitable raw fabrics for dyeing / printing / processing.	
<b>3. Foreign Exchange earnings and outgo :</b>		
Earnings (Rs.)	<b>1,69,82,345</b>	2,46,32,207
Outgo (Rs.)	<b>62,898</b>	1,77,267

**[Forming part of Annexure (2)]**

**Statement of particulars of employees pursuant to the provision of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rule, 1975 as amended up to date.**

Sl. No.	Name of the Employee	Age	Designation/ Nature of Duty	Gross Remune- ration (Rs)	Qualifi- cations	Experience In years	Date of Commence ment of Employment	Particulars of last employment
01	Vijay Kumar Gupta	59	Managing Director	33,00,000	B.Com.	42	01.04.1990	Business

Note : 1. The conditions of employment are non-contractual and are governed by rules and regulations of the Company.

For and on behalf of the Board

Place : Secunderabad  
Date : 29th June,2009

**Vijay Kumar Gupta**  
Chairman & Managing Director

[Forming part of Annexure (3)]

**Additional information as required under Part IV of Schedule VI to the Companies Act, 1956**

**Balance Sheet Abstract and Company's General Business Profile:**

**I. Registration Details**

Registration No. 

0	1	-	1	0	9	7	3
---	---	---	---	---	---	---	---

 State Code 

0	1
---	---

Balance Sheet Date 

3	1	-	0	3	-	2	0	0	9
---	---	---	---	---	---	---	---	---	---

**II. Capital raised during Year (Amount Rs. in Thousand)**

Public Issue 

				N	I	L
--	--	--	--	---	---	---

 Rights Issue 

				N	I	L
--	--	--	--	---	---	---

Private Placement 

				N	I	L
--	--	--	--	---	---	---

 Bonus Issue 

				N	I	L
--	--	--	--	---	---	---

Preferential Issue 

				N	I	L
--	--	--	--	---	---	---

**III. Position of Mobilization and Deployment of Funds (Amount Rs. in Thousands)**

Total Liabilities 

2	3	7	3	6	9	7
---	---	---	---	---	---	---

 Total Assets 

2	3	7	3	6	9	7
---	---	---	---	---	---	---

**SOURCE OF FUNDS**

Paid-up Capital 

	1	1	5	0	0	0
--	---	---	---	---	---	---

Reserves & Surplus 

	5	0	0	1	2	1
--	---	---	---	---	---	---

Secured Loans 

1	3	4	5	9	9	8
---	---	---	---	---	---	---

Unsecured Loans 

	3	3	1	1	4	0
--	---	---	---	---	---	---

Deferred Tax Liability 

		8	1	4	3	8
--	--	---	---	---	---	---

**APPLICATION OF FUNDS**

Net Fixed Assets 

	6	5	9	0	4	0
--	---	---	---	---	---	---

Capital Work in Progress 

	7	8	2	1	5	3
--	---	---	---	---	---	---

Investments 

		1	3	5	9	0
--	--	---	---	---	---	---

Net Current Assets 

	9	1	5	2	7	0
--	---	---	---	---	---	---

Mis. Expenses 

			3	6	4	4
--	--	--	---	---	---	---

**IV. Performance of the Company (Amount Rs. in Thousands)**

Turnover (incl. Other Income) 

1	1	8	0	2	3	9
---	---	---	---	---	---	---

Total Expenditure 

1	1	1	6	0	5	8
---	---	---	---	---	---	---

Profit before Tax 

		6	4	1	8	1
--	--	---	---	---	---	---

Profit after Tax 

		4	0	9	1	2
--	--	---	---	---	---	---

Earning per Share (Rs.) 

			0	.	3	6
--	--	--	---	---	---	---

**V. Generic names of Principal Products/Services of the Company (As per Monetary Terms)**

Item Code No.  
(ITC Code)

2	4	8	0
---	---	---	---

Product Description

D	Y	E	I	N	G		A	N	D		P	R	I	N	T	I	N	G		O	F	
T	E	X	T	I	L	E		F	A	B	R	I	C									

**CERTIFICATE BY COMPANY SECRETARY & CHIEF FINANCE OFFICER**

I, S. Nagarajan, Company Secretary of Vijay Textiles Limited, to the best of my knowledge and belief, certify that:

1. I have reviewed the Balance Sheet and Profit and Loss Account and all its schedules and notes to accounts, as well as the Cash Flow Statements and the Director's Report;
2. Based on my knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or contain statements that might be misleading;
3. Based on my knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, and are in compliance with the existing accounting standards and / or applicable laws and regulations;
4. To the best of my knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct;
5. I am responsible for establishing and maintaining internal controls over financial reporting for the company, and I have
  - a. Designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles.
  - b. Evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting and
  - c. Disclosed in this report and change in the Company's internal control over financial reporting that has materially affected the Company's internal control over financial reporting.
6. I have disclosed to the Company's Auditors and the Audit Committee of the Company's Board of Directors in regard to
  - a. Deficiencies in the design or operation of internal controls and steps taken / proposed to be taken to rectify these deficiencies.
  - b. Significant changes in internal controls over financial reporting, if any, during the year covered by this report.
  - c. Significant changes in accounting policies during the year, if any, and that the same, have been disclosed in the notes to the financial statements.
  - d. Instances of significant fraud of which I am aware, that involves management or other employees who have a significant role in the Company's internal controls system over financial reporting.

Place : Secunderabad  
Date : 29th June, 2009

**(S.NAGARAJAN)**  
COMPANY SECRETARY

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **INDUSTRY STRUCTURE, DEVELOPMENTS AND PERFORMANCE:**

The Company manufactures entire range of furnishing fabrics and bed linen. It has well established pan India dealer network for its wholesale business. The company has made a big and successful foray in to mega retail business and its large format retail stores are located in the twin cities of Hyderabad & Secunderabad viz. Surya Towers, Secunderabad, Ameerpet, Kukatpally and Dilsukhnagar in Hyderabad. These show-rooms display entire range of products manufactured by the company. The main source of strength is the large customer based of the company comprising of NRI customers and corporate houses, who incidentally are bulk consumers as well. The company by virtue of its exclusive and wide range of products caters to all the segments of the society. The company has entered in to bed linen market in a big way and has launched the new products through its existing network of dealers thus enlarging its product range and increasing the thrust to penetrate the untapped market. The company's products are well received in the market and it enjoys a sizeable market share in the contemporary markets. The company has, by way of value addition and in order to enhance product value added fully automated embroidery unit at its Rajapoor Factory which has been commissioned in March, 2009. Apart from saving the outsourcing cost the company is able to enhance the product value through the machine embroidered products which have a wider consumer acceptance. The value added products are expected to add to its turnover substantially. The newly opened furnishing mall at Dilsukhnagar in Hyderabad has added to its considerable retail strength.

Besides, the company has also ventured into development of infrastructure projects under the Industrial Park Scheme, 2002 of the Government of India. Since the projects in this segment enjoy besides other incentives, a tax holiday of 10 years, the company foresees a good potential in improving its profitability to considerable extent by deriving income from this project. The first of such projects bought out by the company is expected to be ready for leasing to IT companies in the second half of the financial year 2009-10.

### **OPPORTUNITIES & THREATS:**

Though the furnishing fabric market is ever growing one yet it has witnessed a radical change in consumer tastes and liking due to changing life styles in line with changing times. The economic liberalization had played a big role in rise in living standards and is also instrumental to a large extent in enhancing general purchasing power. The housing sector boom has indeed added spice to peoples' tastes and their zest for sophistication. Although the Company is operating in a highly competitive environment yet its competence and core experience has helped it in keeping pace with the developments around.

The company does not foresee any immediate threat to its domain merely because of size of its operations. Being a manufacturer, a wholesaler and its retail operations all skewed together in one company, are in fact the key factors that other competitors finds difficult to dislodge the company from its leadership position.

The economic slowdown and global recession has played a key role in slowing down the market momentum and thus bringing a phase of negative growth. The furnishing industry has by and large has been able to withstand the onslaught to a considerable extent with a lesser impact. The invasion of foreign companies in Indian markets and their mushroom growth in size and stature has also played a great role in escalating stiff competition. The company has kept pace with the advancements around and forged its synergies in innovation techniques and competes well in design and development of its range of products to beat the competition, persistent with constant innovation, astute pricing policy and highest quality standards.



## **OUTLOOK**

The financial sector recovery is the main hope for revival of the economy and in particular the housing sector demand. These factors will help the company to achieve its projected growth outlined for the future. The governmental policies relating to infrastructure projects have strong bearing on the investment scenario in this sector, which may impact the planning of the company in regard to future projects in this field.

The Company's continued thrust in retail segment aimed at ensuring a horizontal growth and to extend its reach to the untapped segments has helped in achieving its long term goals which will lead the company to the consolidation phase later. The company's expansion plans in the retail foray will greatly help the Company to improve margins, overall return on the capital and eventually shareholders value.

The company is expected to start receiving income from its foray in infrastructure project in the second half of the current financial year which will considerably boost its income and profitability.

## **RISKS & CONCERNS**

The company remains apprehensive about possible changes in government policies which might adversely affect the purchasing power of consumers. The company is equally concerned, about revival of economy that should propel to increase the demand and see buoyancy coming back in the market sentiments, amongst the factors which are vital for sustaining overall growth. The company is hopeful that by enlarging its capacities, retail expansion being undertaken, constantly bringing in new products through innovation and employing new marketing strategies will greatly help it in mitigating the adverse impacts apprehended above.

## **INTERNAL CONTROL SYSTEM & ADEQUACY**

The Company has an adequate internal control system which commensurate with the size and nature of its business. The internal control system is being supported by internal audits, regular reviews by management to ensure reliability of financial and all other records to prepare financial statements and other data. Further the Audit Committee of the Board review the findings and recommendations of the internal audit and suitable implementations are affected.

## **MATERIAL DEVELOPMENT IN HUMAN RELATION/INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED**

There are no material developments in the Human Resources area. The Industrial relations have been considered to be satisfactory. The Company constantly reviews the man power requirements and effective steps are being taken to meet the requirements. The total number of people directly and indirectly employed by the Company is 400.

## **DISCUSSION ON FINANCIAL PERFORMANCE**

The Company achieved a gross turnover of Rs.11500.43 Lakhs during the year. This amounts to a 14.99% growth over the previous year. The Profit before Tax is Rs.641.81 Lakhs and Profit after Tax is Rs.409.12 Lakhs for the year.

## **NOTE**

Readers are advised to kindly note that the above discussion contains statements about risks, concerns, opportunities, etc. which are valid only at the time of making the statements. A variety of factors known/unknown expected or otherwise may influence the financial results. These statements are not expected to be updated or revised to take care of any changes in the underlying presumptions.

Readers may therefore appreciate the context in which these statements are made before making use of the same.

**CORPORATE GOVERNANCE REPORT FOR THE YEAR 2008-2009:**

(As required under Clause 49 of the Listing Agreement entered into with Stock Exchanges)

**1. Company's Philosophy on Code of Governance:**

Vijay Textiles Limited (VTL) is committed to the highest standards of Corporate Governance in all its activities and processes.

The Company always believes that good corporate governance practices enable the management to direct and control the affairs of the Company in an efficient manner and to achieve the company's goal of maximizing value for its shareholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a truly global company.

Key elements of corporate governance are transparency, disclosure, supervision & internal controls, risk management, internal & external communications, high standards of safety, health, environment, accounting fidelity product and service quality. The Board has empowered responsible persons to implement its broad policies and guidelines and has setup adequate review process.

The following is a report on the corporate governance.

**2. Board of Directors**

- a. The composition of Board of Directors consists of two Promoter Whole-time Director(s) and four Independent Non-Executive Directors. The number of Independent Directors is more than one third of the total number of Directors. The number of Non-Executive Directors (NEDs) more than 50% of the total number of Directors.
- b. None of the Directors on the Board is a member on more than ten committees or Chairman of more than five committees as specified in Clause 49. Necessary disclosures regarding committee positions have been made by Directors.
- c. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Membership held by them in other Companies is given below. Other directorships do not include alternate directorships, directorships of private limited companies and of companies incorporated outside India. Chairmanship/Membership of Board/Committees includes Membership of Audit/Remuneration and Shareholders/Investors Grievance Committees.

Name	Category	No. of Board Meetings during the period		Attendance of the last AGM held on 27.09.08	No. of Directorship in other Public Ltd. Companies		No. of Committee positions held in other Public Companies	
		Held	Attended		C	M	C	M
Vijay Kumar Gupta	CMD/P/ED	6	6	Present	-	1	1	1
Susheel Kumar Gupta	P/ED	6	6	Present	-	-	-	-
M Srikanth Reddy	NED/ID	6	6	Present	-	1	-	-
K Srinivas Reddy	NED/ID	6	6	Present	-	2	2	1
MalReddyRanga Reddy*	NED/ID	6	2	Absent	-	-	-	-
K Bhupal Reddy	NED/ID	6	6	Present	-	1	-	-

CMD/P/ED : Chairman and Managing Director/Promoter/Executive Director

NED/ID : Non-Executive Director/Independent Director

C : Chairman, M : Member

\* Ceased to be a Director with effect from 27th September, 2008 following his resignation.

d. Reappointment of Retiring Director:

As required by Clause 49 of the Listing Agreement on Corporate Governance particulars of Directors being reappointed are provided hereunder:

Shri K. Bhupal Reddy:

Shri K. Bhupal Reddy, aged about 69 years is engaged in business of Civil and Engineering contracts and has professional experience of over 42 years behind him. He is also the Managing Director of NLR Property Developers Private Limited., a Company engaged in the business of development of real estate activities. In addition to the above he was also holding Directorship as a Nominee Director on behalf of Financial Institutions for advising on various financial disciplines matters. Further he was a member in Creative Advisory Committee of All India Prasara Bharati.

Since our company has ventured into development of infrastructure projects like IT parks under the Industrial Park Scheme of Government of India, we feel his experience in the real estate field is very valuable to the Company. Further his advice, guidance and active participation will continue greatly help our Company in its endeavor in this new field.

e. Six Board Meetings were held during the year, as against the minimum requirement of 4 meetings. The maximum gap between any two meetings was not more than four months. The dates on which the meetings were held are as follows:

31st May, 2008 : 30th July, 2008 : 1st October, 2008 : 25th October, 2008 : 22nd December, 2008 : 30th January, 2009 .

f. None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

**3. Audit Committee**

Terms of Reference & Composition, Names of Members and Chairman:

The terms of Reference of the Audit Committee is to review the quarterly and annual financial statements with a specific emphasis on accounting policies and practices, compliance with the accounting standards, review of adequate control system and internal audit function, reviewing the reports furnished by the internal auditors and statutory auditors and ensure suitable follow-up thereon, recommendations for appointment of internal auditors and statutory auditors, fixation of audit fees etc.

The Audit Committee comprises of four Directors, all of whom are Non-Executive, Independent Directors. The Directors possess knowledge of corporate finance, accounts and other legal matters. The Chairman of the Committee is a Non-Executive Independent Director nominated by the Board. The Statutory Auditors and the Internal Auditors are invitees to the Meeting. The Company Secretary acts as the Secretary to the Committee.

The constitution of the Audit committee is as follows:

1.	Shri K Srinivas Reddy	Chairman,Independent,Non-Executive
2.	Shri M Srikanth Reddy	Member, Independent, Non-Executive
3	Shri Malreddy Ranga Reddy*	Member, Independent, Non-Executive
4	Shri K.Bhupal Reddy	Member, Independent, Non-Executive

\* Ceased to be a Director with effect from 27th September, 2008 following his resignation.

**Number of Audit Committee Meetings held and the dates on which held**

Four Audit Committee Meetings were held during the year, the dates on which the meetings were held are as follows:

31st May,2008 : 30th July,2008 : 25th October'2008 : 30th January,2009.

**Meetings and attendance during the year**

There were four meetings of the Audit Committee during the year 2008-2009. The attendance of each Member of the Committee is given below:

Sl.No.	Name of the Director	No.of Meetings Attended
1.	Shri K. Srinivas Reddy	4
2.	Shri M. Srikanth Reddy	4
3.	Shri. Malreddy Ranga Reddy*	2
4.	Shri. K.Bhupal Reddy	4

\* Ceased to be a Director with effect from 27th September, 2008 following his resignation.

The Statutory Auditors and Internal Auditors of the Company have also attended the above meetings on invitation. The recommendations made by the Audit Committee from time to time have been followed by the Company. The Chairman of the Audit Committee has attended the Annual General Meeting to answer the queries raised by the Shareholders regarding Audit and Accounts.

#### 4. REMUNERATION COMMITTEE:

The terms of reference of the Remuneration Committee is to review, assess and recommend the appointment of the Whole-time Directors and also to review the remuneration payable to the Whole-time Directors and recommend suitable revision to the Board. The Company Secretary acts as the Secretary to the Committee.

The Remuneration Committee comprises of four Directors, all of whom are Non-Executive, Independent Directors. The Chairman of the Committee is a Non-Executive independent Director nominated by the Board.

The constitution of the Remuneration committee is as follows:

1.	Shri K Srinivas Reddy	Chairman, Independent, Non-Executive
2.	Shri M Srikanth Reddy	Member, Independent, Non-Executive
3.	Shri Malreddy Ranga Reddy *	Member, Independent, Non-Executive
4.	Shri K. Bhupal Reddy	Member, Independent, Non-Executive

\* Ceased to be a Director with effect from 27th September, 2008 following his resignation.

The Remuneration Committee Meeting was held on 31st May, 2008. All the members were present.

#### Remuneration Policy

##### A. Remuneration to Non-Executive Directors

The Non-executive Directors are being paid sitting fees @ Rs.2000/- for each meeting of the Board or any committee thereof attended by them. The compensation of the Non-Executive Directors is approved by the Board of Directors.

##### B. Remuneration to Chairman and Managing Director and Whole-time Directors

Payments of Remuneration of Chairman and Managing Director and Whole-time Director, approved by the Board and is within the limits set out by the Shareholders at Annual General Meetings. The Remuneration comprises of salary, perquisites and allowances. Presently the Company does not have any stock option plan or performance linked incentives for its Directors.

Details of Remuneration to all the Directors for the year ended 31st March, 2009:

Name of the Director	Salary	Perquisites	Sitting Fees	Total	Service Contract
Shri Vijay Kumar Gupta	33,00,000	-	-	33,00,000	Contractual*
Shri Susheel Kumar Gupta	19,20,000	-	-	19,20,000	Contractual*
Shri M Srikanth Reddy	-	-	26,000	26,000	Retirement by rotation
Shri K Srinivas Reddy	-	-	26,000	26,000	Retirement by rotation
Shri Malreddy Ranga Reddy*	-	-	10,000	10,000	Retirement by rotation
Shri Bhupal Reddy	-	-	26,000	26,000	Retirement by rotation

The contract is for five years.

\* Ceased to be a Director with effect from 27th September, 2008 following his resignation.

**5. Shareholders' Grievance Committee:**

The Board of Directors has constituted 'Shareholders'/Investors' Grievances Committee'. The terms of reference of this Committee is to consider transfer/ transmission of Shares, issue of duplicate share certificates, review of shares dematerialized and all other related matters, investors grievances and redressal thereof. During the year the Company had received 81 Letters/complaints from the shareholders and all of them were resolved satisfactorily by furnishing the requisite information/documents to the shareholders. There were no transfers pending at the close of the financial year.

**Composition**

The Shareholders'/Investors' Grievances Committee comprises of four Directors, all of whom are Non-Executive, Independent Directors. The Chairman of the Committee is a Non-Executive independent Director nominated by the Board. The Company Secretary acts as the Secretary to the Committee.

The constitution of the Shareholders'/Investor's Grievance committee is as follows:

1.	Shri K Srinivas Reddy	Chairman,Independent, Non-Executive
2.	Shri M Srikanth Reddy	Member, Independent, Non-Executive
3.	Shri Malreddy Ranga Reddy*	Member, Independent, Non-Executive
4.	Shri K Bhupal Reddy	Member, Independent, Non-Executive

\* Ceased to be a Director with effect from 27th September, 2008 following his resignation.

**Compliance Officer**

The Board has designated Shri S.Nagarajan, Company Secretary as the Compliance Officer.

**Meetings and attendance**

Two Shareholders' Grievance Committee Meetings were held during the year, the dates on which the meetings were held are as follows:

25th October, 2008 ; 30th January,2009.

Meetings and attendance during the year

There were two meetings of the Shareholders' Grievance Committee during the year 2008-2009. The attendance of each Member of the Committee is given below:

Sl.No.	Name of the Director	No.of Meetings Attended
1.	Shri K Srinivas Reddy	Chairman,Independent, Non-Executive
2.	Shri M Srikanth Reddy	Member, Independent, Non-Executive
3.	Shri Malreddy Ranga Reddy*	Member, Independent, Non-Executive
4.	Shri K Bhupal Reddy	Member, Independent, Non-Executive

\* Ceased to be a Director with effect from 27th September, 2008 following his resignation.

**6. Code of Conduct**

The Company has evolved a Code of Conduct for the Directors and Senior Management Personnel of the Company which has been affirmed for adherence.

## 7. General Body Meetings

Location and time, where last three Annual General Meetings were held is given below:

Financial Year	Date	Location of the Meeting	Time
2005-06	28.09.2006	The Federation of AP Chamber of Commerce & Industry, Federation House, 11-6-841, Red Hills, Hyderabad-500040.	3. 00 PM
2006-07	26.09.2007	The Federation of AP Chamber of Commerce & Industry, Federation House, 11-6-841, Red Hills, Hyderabad-500040.	3. 00 PM
2007-08	27.09.2008	The Federation of AP Chamber of Commerce & Industry, Federation House, 11-6-841, Red Hills, Hyderabad-500040	11.00 A.M

No Special Resolution was put through postal ballot at the last AGM nor is any proposal for this year.

## 8. Disclosures

- a. Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives, etc. that may potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in Notes on Accounts under point No: 13 of Schedule No 21 to the Accounts in the Annual Report.

- b. The Company has complied with all the requirements of the Listing Agreement with Stock Exchanges as well as Regulations and Guidelines prescribed by SEBI. There were no penalties or strictures imposed on the company by any statutory authorities for non-compliance on any matter related to capital market, during the last three years.

## 9. MEANS OF COMMUNICATION:

- i. The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the Performa prescribed by clause 41 of the Listing Agreement within one month/three months of the close of the respective period.
- ii. The approved financial results are forthwith sent to the listed Stock Exchanges and are published in the newspapers namely, Business Standard, Business Line and Andhra Bhoomi, within forty eight hours of approval thereof.
- iii. As the Company's quarterly/half yearly financial results are published in press, the same are not mailed to the Shareholders.
- iv. Management Discussion and Analysis Report is annexed to the Directors' Report which forms part of the Annual Report.

**10. General Shareholders Information**

- Date, Time & Venue of AGM : 24th September,2009 , 11.00A.M  
Surana Udyog Auditorium  
The Federation of AP Chamber of  
Commerce & Industry,  
Federation House: 11-6-841,  
Red Hills, Hyderabad-500004
- Financial Calendar : 1st April to 31st March  
First Quarter Results - End of July '09 \*  
Half yearly Results - End of October '09 \*  
Third Quarter Results - End of January '10 \*  
Results for the year ending 31.03.2010  
End of June, 2010. \* provisional
- Date of Book Closure : (19th September,2009 to 24th September,2009)  
(Both days inclusive)
- Dividend 2008-09 and Dividend  
Payment date(s) : 10% on or before 23rd October, 2009.
- Listing on Stock Exchanges : The Bombay Stock Exchange Limited
- Stock Code : 530151 on BSE
- ISIN Number for NSDL & CDSL : INE 256G01025
- Market price data :

Monthly High/Low of market price of the Company's shares traded on the Stock Exchange, Mumbai (BSE)

Sl.No.	Month	High(Rs.)	Low(Rs.)
1	April,2008	5.81	4.70
2	May, 2008	5.75	4.40
3	June, 2008	4.67	3.60
4	July, 2008	4.24	3.18
5	August, 2008	4.16	3.70
6	September, 2008	4.12	2.63
7	October, 2008	3.24	1.91
8	November, 2008	3.39	2.00
9	December, 2008	2.90	2.21
10	January, 2009	2.76	2.19
11	February, 2009	2.40	1.75
12	March, 2009	2.25	1.80

The Company's shares constitute a part of the BSE Small Cap index.



- Registrars & Transfer Agents : Aarhi Consultants Private Limited  
1-2-285, Domalguda, Hyderabad-500 029  
Phone: 040-27638111, 27634445  
Fax : 040-27632184  
Email:info@aarthiconsultants.com

- Share Transfer System :

The present Share Transfer Agent is Aarhi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad-500029.

The RTA process, the Physical Share Transfers and the Share Certificates are returned to the Shareholder within 21 days from the date of receipt, subject to the documents being valid and complete in all respects. All share transfers are approved by the Share Transfer Committee, which meets every fortnight.

As per the guidelines issued by SEBI, the RTA is also offering Transfer-cum-Demat facility, wherein after the share transfer is effected, an option letter containing the details of the shares transferred is sent to the transferee. Any transferee who wishes to demat the shares may approach a DP along with a duly filled Demat Request Form, who shall, on the basis of the option letter, generate a Demat Request and send the same to the RTA. On receipt, the RTA confirms the request.

Any transferee not intending to dematerialize his/her shares, need not exercise the option and the RTA shall dispatch the share certificate after 30 days from the date of the Option Letter.

All requests for Dematerialization of shares are processed and the confirmation is given to the respective Depositories, i. e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days of its receipt.

- Distribution of Shareholding and Shareholding Pattern as on 31.03.2009.

Distribution of Shareholding:

No. of equity Shared held	No. of Shareholders	%	No. of Shares	%
Up to 5000	18263	93.92	18450589	16.04
5001 to 10000	672	3.46	5067654	4.41
10001 to 20000	283	1.46	4053330	3.52
20001 to 30000	91	0.47	2297103	2.00
30001 to 40000	40	0.20	1398301	1.22
40001 to 50000	18	0.09	843947	0.73
50001 to 100000	45	0.23	3052719	2.65
100001 and above	33	0.17	79836357	69.43
Grand Total	19445	100.00	115000000	100.00
Physical Mode	61	0.31	285431	0.25
Demat Mode	19384	99.69	114714569	99.75

Shareholding Pattern as on 31.03.2009:

Sl.No.	Category	No.of shares	%
1.	Promoters	5,19,66,417	45.19
2.	UTI & Mutual Funds	—	—
3.	Banks, Financial Institutions & Insurance Companies	1,50,02,400	13.05
4.	Foreign Institutional Investors	—	—
5.	Private Bodies Corporate	78,08,874	6.79
6.	Indian Public	3,67,22,172	31.93
7.	NRIs/ OCBs	5,54,827	0.48
8.	Clearing Members	2,45,310	0.21
9.	Director/Relatives/Associates (Independent and are not in control of the Company)	27,00,000	2.35
	<b>Total:</b>	<b>11,50,00,000</b>	<b>100.00</b>

- **Dematerialization of Share and Liquidity** : The trading in Company's shares is permitted only on dematerialized form. In order to enable the Shareholders to hold the shares in electronic form and to facilitate scrip less trading, the Company has enlisted its shares with NSDL and CDSL.
- **Share Dematerialization Records** : The total number of shares under demat mode constitutes 11,47,14,569 Shares amounting to 99.75% of the capital have been dematerialized by investors as on 31.03.2009.
- **Secretarial Audit** : The Company gets the Secretarial Audit done by a Practicing Company Secretary for the purpose of reconciliation of the total admitted capital with both the depositories and the total issued and listed capital. The Secretarial Audit Report placed before the Board of Directors on a quarterly basis is also sent to the Stock Exchanges where the Company's shares are listed.
- **Plant Locations** :
  - 1) Survey No:139 to 141 & 143, Village Rajapoor, Mdl Balanagar, Dist: Mahabubnagar, A.P.
  - 2) Plot No. 46, Road No.12, APIIC Kattedan, Hyderabad-500 077.
  - 3) Surya Towers, 104,S.P.Road, Secunderabad-500003
  - 4) 6-3-852/2/3, Near Lal Banglow,Ameerpet, Hyderabad - 500016.
  - 5) 2-22-306/A/2, Plot No:6&7,Survey No:178 & 179, Bhagyanagar Colony, Phase -II, kukatpally, Hyderabad- 500072.
  - 6) D.No:23-27/A, Sy No.127 & 130/1, Kothapet, Dilsukhnagar, Hyderabad - 500060.
- **Whole sale Depot**
- **Retail Outlets**

• Address for correspondence :

	<p>Addressed to Aarhi Consultants Pvt. Ltd. 1-2-285, Domalguda, Hyderabad-500029 Phone : 040-27638111, 27634445 Fax : 040-27632184 email : info@aarhiconsultants.com Web : www.aarhiconsultants.com.</p>
<p>Investor Correspondence/Query on Annual Report, Sub-Division, Revalidation of Dividend Warrants etc.</p>	<p>S Nagarajan Company Secretary Vijay Textiles Limited Surya Towers, 104 Sardar Patel Road Secunderabad-500 003 Ph.No. : 040-27848479, 27844086 Fax : 040-27846849 Email : info@vijayatextiles.in Web : www.vijayatextiles.in</p>

• **Depository Services :**

For guidance on Depository services, shareholders may write to the Company or to the respective Depositories:

<p>National Securities Depository Ltd. Trade World, 4th Floor Kamala Mills Compound Senapati Bapat Marg, Lower Patel Mumbai-400 013 Tel: 022-24994200 Fax: 022-24972993/24976351 Email: info@nsdl.co.in</p>	<p>Central Depository Services (I) Ltd. Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street Mumbai - 400 023 Tel: 022-22723333, 22723224 Fax: 022-22723199 Email: investors@cdslindia.com</p>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

- Nomination Facility : Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 109A of the Companies Act, 1956 are requested to submit to the Company in the prescribed form 2B for this purpose.
- Company's Policy on prevention of : Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company had framed a Code of Conduct for prevention of insider trading. Shri S Nagarajan, Company Secretary, had been appointed as the Compliance Officer for this purpose. The code is applicable to all such employees of the Company, who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism.

**NON-MANDATORY REQUIREMENTS**

**1. CHAIRMAN OF THE BOARD**

The Company has an Executive Chairman and hence the requirement pertaining to reimbursement of expenses to a Non-Executive Chairman does not arise.

**2. REMUNERATION COMMITTEE**

Please refer item No. 4 under the heading "Mandatory Requirements".

**3. SHAREHOLDER RIGHTS**

As the Company's half yearly results are published in English Newspaper having circulation all over India and in Telugu Newspaper widely circulated in the State of Andhra Pradesh, the same are not sent to each house hold of Shareholders.

**4. POSTAL BALLOT**

The provision relating to Postal Ballot is being complied with in respect of matters where applicable.

As required by the Clause 49 of the Listing Agreement, the Auditors' Certificate is attached herewith.

---

**Declaration on Code of Conduct**

This is to confirm that the Board has laid down a code of conduct for all Directors and Senior Management personnel of the Company. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the code of conduct of the Company for the financial year ended on 31st March 2009, as envisaged in Clause 49 of the Listing Agreement with Stock Exchanges.

Place : Secunderabad  
Date : 29th June, 2009

**Vijay Kumar Gupta**  
Chairman & Managing Director

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

The Members  
**Vijay Textiles Limited**

We have examined the compliance of conditions of Corporate Governance by M/s. Vijay Textiles Limited, for the year ended March 31, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures 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 financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor grievances remaining unattended/ pending for more than 30 days.

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 the Company.

For **LAXMINIWAS & JAIN**  
Chartered Accountants

Place : Secunderabad  
Date : 29th June, 2009

**(LAXMINIWAS SHARMA)**  
Partner  
Membership No. 014244

**AUDITORS' REPORT****TEXTILES LIMITED**

To

The Members of

**Vijay Textiles Limited**

104, Surya Towers, S P Road, Secunderabad-500 003

1. We have audited the attached Balance Sheet of VIJAY TEXTILES LIMITED as at 31.03.2009, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956 of India, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Attention of members is invited to Note No.7 of Schedule 21-B regarding treatment of FCDL from bank.
5. Further to our comments in the Annexure referred to above, 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 accounts as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
  - d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
  - e. On the basis of written representations received from the Directors, as on 31.03.2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31.03.2009 from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956;
  - f. In our opinion and to the best of our information and according to the explanations given to us; the said accounts read with the accounting policies and notes forming part of accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
    - ii. in the case of the Profit & Loss Account, the Profit for the year ended on that date; and
    - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **LAXMINIWAS & JAIN**  
Chartered Accountants

**(LAXMINIWAS SHARMA)**  
Partner  
Membership No. 014244

Place: Secunderabad  
Date : 29th June, 2009

**ANNEXURE TO THE AUDITORS' REPORT:**

Re: VIJAY TEXTILES LIMITED

[referred to in paragraph 3 of our report of even date]

- (i).
  - a. The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. All the assets have not been physically verified by the Management during the year but there is a regular programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c. During the year few fixed assets have been disposed off by the Company. On the basis of information and explanations given to us, we are of the opinion, that disposal of the part of fixed assets has not affected the going concern status of the Company.
- (ii).
  - a. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
  - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii).
  - a. The Company has not granted loans, secured or unsecured, to companies, firms, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
  - b. During the year the Company has taken unsecured loans from two parties, a sum of Rs.1910.01 Lakhs and repaid Rs.1887.27 Lakhs to two parties and the total amount outstanding as on 31.03.2009 was Rs.2647.23 Lakhs payable to two parties covered under register maintained under Section 301 of the Companies Act, 1956.
  - c. In our opinion, the rate of interest and other terms and conditions on which loans were taken from Companies, firms, or other parties covered under the register maintained under Section 301 of the Companies Act, 1956, are not prima facie, prejudicial to the interest of the Company.
  - d. According to the information and explanation given to us, the company is regular in repayment of the principle and interest.
- (iv). In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v).
  - a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
  - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi). The Company has not accepted any deposits from the public within the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- (vii). In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (viii). We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- (ix). a. According to the information and explanations given to us and the records of the company examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31.03.2009 for a period of more than six months from the date of became payable.
- c. According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which are not deposited on account of dispute except Entry Tax matter of Rs. 17.21 lakhs (Previous Year Rs. 17.21 lakhs) which is under appeal at Hon'ble A.P. High Court; and Income Tax appeal Rs. 12.91 Lakhs (Previous Year Rs. Nil) pending before CIT (Appeals).
- (x). *In our opinion, the company has no accumulated losses as at 31.03.2009 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.*
- (xi). According to the information and explanation given to us, the company has not defaulted in repayment of dues to financial institutions, bank and debenture holders as at balance sheet date.
- (xii). *In our opinion and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly the provisions of clause 4(xii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.*
- (xiii). *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 Companies (Auditors' Report) Order, 2003 are not applicable to the company.*
- (xiv). *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 Companies (Auditors' Report) Order, 2003 are not applicable to the Company.*
- (xv). According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi). *In our opinion, the term loans have been applied for the purposes for which they were raised.*
- (xvii). According to the information and explanations given to us and on the 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.
- (xviii). *According to the information and explanation given to us, the company has made preferential allotment of shares to parties covered in the register maintained under Section 301 of the Companies Act, 1956. In Our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.*
- (xix). According to the information and explanation given to us, the Company has not issued any debentures. Therefore, the provisions of clause 4(xix) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- (xx). According to the information and explanation given to us, the company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- (xxi). According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **LAXMINIWAS & JAIN**  
Chartered Accountants

Place : Secunderabad  
Date : 29th June, 2009

( **LAXMINIWAS SHARMA** )  
Partner  
Membership No. 014244



**BALANCE SHEET AS AT  
31ST MARCH, 2009**



**TEXTILES LIMITED**

	Schedule Reference	As at 31.03.2009		As at 31.03.2008	
		Rupees	Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS</b>					
<b>Shareholders Funds</b>					
Share Capital	1	11,50,00,000		11,50,00,000	
Reserves & Surplus	2	50,01,20,674		47,26,63,225	
			61,51,20,674		58,76,63,225
<b>Loan Funds</b>					
Secured Loans	3	134,59,98,331		97,95,12,754	
Unsecured Loans	4	33,11,39,554		42,08,62,796	
			167,71,37,885		140,03,75,550
<b>Net Deferred Tax Liability</b>			8,14,38,191		7,29,65,163
(See Note No. 15 of Schedule 21)					
<b>TOTAL</b>			<b>237,36,96,750</b>		<b>206,10,03,938</b>
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross Block	5	76,21,98,138		68,76,15,339	
Less : Depreciation		10,31,58,451		7,23,29,924	
Net Block			65,90,39,687		61,52,85,415
<b>Capital Work In Progress</b>			78,21,52,636		62,69,59,375
<b>Investments</b>	6		1,35,90,000		1,65,90,000
<b>Current Assets, Loans &amp; Advances</b>					
Inventories	7	61,23,54,368		56,88,37,420	
Sundry Debtors	8	28,40,16,124		27,72,41,772	
Cash & Bank Balances	9	7,27,73,622		1,03,75,100	
Loans & Advances	10	2,08,24,747		1,46,79,495	
Other Current Assets	11	3,84,09,177		1,46,81,512	
		102,83,78,038		88,58,15,299	
Less: Current Liabilities & Provisions	12	11,31,08,278		8,36,46,151	
Net Current Assets			91,52,69,760		80,21,69,148
Miscellaneous Expenditure	13				
(to the extent not written off or adjusted)			36,44,667		0
<b>TOTAL</b>			<b>237,36,96,750</b>		<b>206,10,03,938</b>

Schedules 1 to 13 & 21 Form part of the Balance Sheet

This is the Balance Sheet referred to in our Report of even date.

As per our Report attached  
for **LAXMINIWAS & JAIN**  
Chartered Accountants

For and on behalf of the Board

**Laxminiwas Sharma**  
Partner  
Membership No.014244

**Vijay Kumar Gupta**  
Managing Director

**Susheel Kumar Gupta**  
Executive Director

Place : Secunderabad  
Date : 29th June, 2009

**S Nagarajan**  
Company Secretary

**PROFIT & LOSS ACCOUNT FOR THE  
YEAR ENDED 31ST MARCH, 2009**



**TEXTILES LIMITED**

	Schedule Reference	For the Year ended 31.03.2009 Rupees	For the Year ended 31.03.2008 Rupees
<b>INCOME</b>			
Income from Operations		<b>115,00,43,080</b>	100,01,18,089
Other Income	14	<b>3,01,95,794</b>	24,24,162
Increase/(Decrease) in stocks	15	<b>2,81,28,648</b>	6,96,49,298
		<b>120,83,67,522</b>	107,21,91,549
<b>EXPENDITURE</b>			
Raw Materials consumed	16	<b>76,67,34,123</b>	69,09,39,556
Trading Goods Purchases		<b>3,86,19,866</b>	5,21,34,524
Manufacturing Expenses	17	<b>3,57,32,877</b>	3,59,00,453
Payments & Benefits to Employees	18	<b>1,99,91,734</b>	1,62,81,778
Other Expenses	19	<b>5,48,58,789</b>	5,21,41,975
Finance Charges	20	<b>19,70,07,525</b>	9,90,66,270
Depreciation		<b>3,12,41,295</b>	2,53,64,232
		<b>114,41,86,209</b>	97,18,28,788
<b>PROFIT FOR THE YEAR</b>		<b>6,41,81,313</b>	10,03,62,761
Less: Taxation			
Taxes - Earlier Years		<b>3,161</b>	<b>16,14,698</b>
Provision for Taxation - Current Year		<b>1,39,90,000</b>	<b>1,95,00,000</b>
Fringe Benefit Tax		<b>8,03,250</b>	<b>7,68,125</b>
- Deferred Tax		<b>84,73,028</b>	<b>1,47,67,727</b>
<b>PROFIT AFTER TAXATION</b>		<b>4,09,11,874</b>	<b>6,37,12,211</b>
Add: Profit brought forward from last year		<b>10,35,86,485</b>	10,00,55,911
Profit available for appropriations		<b>14,44,98,359</b>	16,37,68,122
Appropriations:			
Proposed Dividend		<b>1,15,00,000</b>	1,72,50,000
Corporate Tax on Dividend		<b>19,54,425</b>	29,31,637
Transfer to General Reserve		<b>5,00,00,000</b>	4,00,00,000
Balance carried to Balance Sheet		<b>8,10,43,934</b>	10,35,86,485
		<b>14,44,98,359</b>	16,37,68,122
Weighted Average Number of Equity Shares - Basic		<b>11,50,00,000</b>	11,50,00,000
Weighted Average Number of Equity Shares - Diluted		<b>11,50,00,000</b>	11,50,00,000
Nominal Value per Shares - Rs		<b>1.00</b>	1.00
Basic Earning per Share - Rs		<b>0.36</b>	0.55
Diluted Earning per Share - Rs		<b>0.36</b>	0.55

Significant Accounting Policies  
and Notes to Accounts

21

Schedules 14 to 21 Form part of the Profit & Loss Account.

This is the Profit & Loss Account referred to in our Report of even date.

As per our Report attached  
for **LAXMINIWAS & JAIN**  
Chartered Accountants

For and on behalf of the Board

**Laxminiwas Sharma**  
Partner  
Membership No.014244

**Vijay Kumar Gupta**  
Managing Director

**Susheel Kumar Gupta**  
Executive Director

Place : Secunderabad  
Date : 29th June, 2009

**S Nagarajan**  
Company Secretary

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<b>SCHEDULE-I</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
20,00,00,000 Equity Shares of Rs. 1/- each (Previous Year : 20,00,00,000 Equity Shares of Rs. 1/- each)	<u>20,00,00,000</u>	<u>20,00,00,000</u>
<b>ISSUED CAPITAL</b>		
11,50,00,000 Equity Shares of Rs. 1/- each (Previous Year : 11,50,00,000 Equity Shares of Rs. 1/-each)	<u>11,50,00,000</u>	<u>11,50,00,000</u>
<b>SUBSCRIBED CAPITAL</b>		
11,50,00,000 Equity Shares of Rs. 1/- each. (Previous Year: 11,50,00,000 Equity Shares of Rs. 1/- each)	<u>11,50,00,000</u>	<u>11,50,00,000</u>
<b>PAID UP CAPITAL</b>		
11,50,00,000 Equity Shares of Rs. 1/- each. (Previous Year: 11,50,00,000 Equity Shares of Rs. 1/- each)	<u>11,50,00,000</u>	<u>11,50,00,000</u>
<b>TOTAL:</b>	<u><u>11,50,00,000</u></u>	<u><u>11,50,00,000</u></u>

Schedules forming part of  
Balance Sheet (Contd.)



**TEXTILES LIMITED**

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<b>SCHEDULE-2</b>		
<b>RESERVES &amp; SURPLUS</b>		
SHARE PREMIUM		
Opening Balance	19,43,12,510	13,63,53,510
Add: Additions during the year	0	5,79,59,000
Closing Balance	19,43,12,510	19,43,12,510
GENERAL RESERVE		
Opening Balance	16,27,61,541	12,27,61,541
Add: Additions during the year	5,00,00,000	4,00,00,000
Closing Balance	21,27,61,541	16,27,61,541
SHARE FORFEITURE	1,20,02,689	1,20,02,689
PROFIT & LOSS ACCOUNT		
Opening Balance	10,35,86,485	10,00,55,911
Add / Less : Adjustments	(2,25,42,551)	35,30,574
Closing Balance	8,10,43,934	10,35,86,485
<b>TOTAL :</b>	<b>50,01,20,674</b>	<b>47,26,63,225</b>
<b>SCHEDULE-3</b>		
<b>SECURED LOANS:</b>		
WORKING CAPITAL LOANS FROM BANKS		
– Cash Credit	37,44,43,305	40,94,41,887
TERM LOAN FROM BANKS	97,15,55,026	57,00,70,867
<b>TOTAL</b>	<b>134,59,98,331</b>	<b>97,95,12,754</b>
<b>SCHEDULE-4</b>		
<b>UNSECURED LOANS</b>		
From Directors	26,47,23,161	26,24,50,000
From Banks	5,86,91,554	15,36,90,381
From Others	77,24,839	47,22,415
<b>TOTAL</b>	<b>33,11,39,554</b>	<b>42,08,62,796</b>

**SCHEDULE-5  
FIXED ASSETS**

Sl. No.	Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As at 01.04.2008 Rupees	Additions/ Adjustments Rupees	Deductions Rupees	As at 31.03.2009 Rupees	Upto 31.03.2008 Rupees	For the year Rupees	Adjust- ments Rupees	Upto 31.03.2009 Rupees	As at 31.03.2009 Rupees	
1	Land	7,97,93,978	0	0	7,97,93,978	0	0	0	0	7,97,93,978	7,97,93,978
2	Buildings	14,38,43,723	1,97,57,798	0	16,36,01,521	86,98,385	37,57,427	0	1,24,55,812	15,11,45,709	13,51,45,338
3	Plant & Machinery	28,13,80,951	5,31,54,552	97,58,000	32,47,77,503	3,69,13,383	1,48,47,622	0	5,17,61,005	27,30,16,498	24,44,67,568
4	Electrical Fittings	3,97,65,888	16,67,075	0	4,14,32,963	37,50,889	20,12,826	0	57,63,715	3,56,69,248	3,60,14,999
5	Furniture & Fittings	10,13,11,809	19,31,647	0	10,32,43,456	1,38,08,902	64,09,618	0	2,02,18,520	8,30,24,936	8,75,02,907
6	Office Equipment	33,79,680	46,530	0	34,26,210	11,79,245	1,58,007	0	13,37,252	20,88,958	22,00,435
7	Vehicles	3,62,05,722	91,55,743	15,62,195	4,37,99,270	68,41,087	38,00,195	4,12,768	1,02,28,514	3,35,70,756	2,93,64,635
8	Computers	19,33,588	1,89,649	0	21,23,237	11,38,033	2,55,600	0	13,93,633	7,29,604	7,95,555
	<b>TOTAL</b>	68,76,15,339	8,59,02,994	1,13,20,195	76,21,98,138	7,23,29,924	3,12,41,295	4,12,768	10,31,58,451	65,90,39,687	61,52,85,415
	Previous year	47,26,70,189	32,00,35,022	10,50,89,872	68,76,15,339	7,76,52,485	2,53,64,232	3,06,86,793	7,23,29,924	61,52,85,415	39,50,17,704

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<b>SCHEDULE-6</b>		
<b>INVESTMENTS - LONG TERM</b>		
(At cost - traded - quoted)		
4,53,000 (Previous Year 5,53,000) Equity Shares of Rs. 10/- each in Suryajyot Spinning Mills Ltd. Fully Paid-Up. (1,00,000 shares sold during the year ) (Market Value Rs.47,51,970/- (Previous year 1,90,23,000)	1,35,90,000	1,65,90,000
<b>TOTAL</b>	<u>1,35,90,000</u>	<u>1,65,90,000</u>
<b>SCHEDULE-7</b>		
<b>INVENTORIES</b>		
Raw-Material	2,43,26,249	1,30,58,665
Work in Process	82,14,042	50,67,972
Finished Goods	55,58,41,369	53,08,58,791
Stores & Consumables	2,39,72,708	1,98,51,992
<b>TOTAL:</b>	<u>61,23,54,368</u>	<u>56,88,37,420</u>
<b>SCHEDULE-8</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured considered good)		
Due Over Six Months	86,58,159	55,81,782
Others	27,53,57,965	27,16,59,990
<b>TOTAL</b>	<u>28,40,16,124</u>	<u>27,72,41,772</u>
<b>SCHEDULE-9</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash on Hand	5,36,588	8,22,956
Bank Balance with Scheduled Banks		
– In Current Accounts	6,87,99,072	95,52,144
– In Deposit Account	34,37,962	0
(Under lien with Bank against issue of Letter of Credits) and Bank Guarantees)		
<b>TOTAL</b>	<u>7,27,73,622</u>	<u>1,03,75,100</u>

**Schedules forming part of  
Balance Sheet (Contd.)**



**TEXTILES LIMITED**

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<b>SCHEDULE-10</b>		
<b>LOANS &amp; ADVANCES</b>		
(Unsecured considered good )		
Advances recoverable in cash or kind or for value to be received	2,08,24,747	1,46,79,495
<b>TOTAL</b>	<b>2,08,24,747</b>	<b>1,46,79,495</b>
<b>SCHEDULE-11</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest Receivable	1,71,67,156	79,363
Pre-Paid Expenses	12,45,153	7,72,091
Deposits Recoverable	1,99,96,868	1,38,30,058
	<b>3,84,09,177</b>	<b>1,46,81,512</b>
<b>SCHEDULE-12</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>A. CURRENT LIABILITIES</b>		
Sundry Creditors	8,20,85,645	5,18,32,749
Other Liabilities	1,48,89,199	87,27,126
Unclaimed Dividend	10,85,067	7,86,258
<b>TOTAL</b>	<b>9,80,59,911</b>	<b>6,13,46,133</b>
<b>B. PROVISIONS</b>		
Provision for Taxation (Net of Advance Tax/TDS)	0	4,56,839
Provision for Gratuity	15,62,567	15,28,417
Provision for Dividend	1,15,00,000	1,72,50,000
Corporate Tax on Dividend	19,54,425	29,31,637
Provision for F.B.T( Net of Advance tax)	31,375	1,33,125
<b>TOTAL</b>	<b>1,50,48,367</b>	<b>2,23,00,018</b>
<b>TOTAL (A+B)</b>	<b>11,31,08,278</b>	<b>8,36,46,151</b>
<b>SCHEDULE-13</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
Deferred Premium	36,44,667	0
<b>TOTAL</b>	<b>36,44,667</b>	<b>0</b>

	For the Year ended 31.03.2009 Rupees	For the Year ended 31.03.2008 Rupees
<b>SCHEDULE-14</b>		
<b>OTHER INCOME</b>		
Interest Earned (TDS Rs.171575/-,Previous Year Rs.83,282/-)	9,13,394	5,90,883
Interest Subsidy Received	2,73,34,846	0
Dividend Received	2,71,800	6,63,600
Excess Provision Written Back	79	74,105
Profit on Sale of Investments	14,83,632	7,82,686
Miscellaneous Income	1,78,787	3,12,888
Profit on Sale of Assets	13,256	0
<b>TOTAL</b>	<b>3,01,95,794</b>	<b>24,24,162</b>
<b>SCHEDULE-15</b>		
<b>INCREASE/(DECREASE) IN STOCKS</b>		
<b>OPENING STOCK</b>		
Finished Goods	53,08,58,791	46,41,76,156
Stock in Process	50,67,972	21,01,309
<b>TOTAL (A)</b>	<b>53,59,26,763</b>	<b>46,62,77,465</b>
<b>CLOSING STOCK</b>		
Finished Goods	55,58,41,369	53,08,58,791
Stock in Process	82,14,042	50,67,972
<b>TOTAL (B)</b>	<b>56,40,55,411</b>	<b>53,59,26,763</b>
Increase/(Decrease) in Stocks (A-B)	2,81,28,648	6,96,49,298
<b>SCHEDULE-16</b>		
<b>RAW MATERIALS CONSUMED</b>		
Opening Stock	1,30,58,665	3,92,95,077
Add: Purchases	77,80,01,707	66,47,03,144
	79,10,60,372	70,39,98,221
Less: Closing Stock	2,43,26,249	1,30,58,665
<b>TOTAL</b>	<b>76,67,34,123</b>	<b>69,09,39,556</b>



	For the Year ended 31.03.2009 Rupees	For the Year ended 31.03.2008 Rupees
<b>SCHEDULE-17</b>		
<b>MANUFACTURING EXPENSES</b>		
Carriage & Freight	43,83,493	36,88,062
Direct Wages	27,52,440	35,13,195
Firewood	1,14,70,806	1,06,86,679
Power & Fuel	83,33,357	1,04,95,198
Design & Development	3,75,837	3,53,326
Stores & Consumables	54,63,345	49,94,778
Processing Charges	0	4,86,971
Other Manufacturing Expenses	10,60,397	8,13,986
Effluent Treatment Plant Expenses	18,93,202	8,68,258
<b>TOTAL</b>	<b><u>3,57,32,877</u></b>	<b><u>3,59,00,453</u></b>

**SCHEDULE-18**  
**PAYMENTS & BENEFITS TO EMPLOYEES**

Managerial Remuneration	52,20,000	47,65,800
Salaries & Allowances	1,32,13,566	95,24,849
Gratuity	1,30,620	8,42,814
Contribution to Provident Fund	8,57,653	7,00,684
Contribution to E.S.I.	2,28,759	1,78,852
Welfare Expenses	3,41,136	2,68,779
<b>TOTAL</b>	<b><u>1,99,91,734</u></b>	<b><u>1,62,81,778</u></b>

	For the Year ended 31.03.2009 Rupees	For the Year ended 31.03.2008 Rupees
<b>SCHEDULE-19</b>		
<b>OTHER EXPENSES</b>		
Rent	25,03,440	25,03,440
Lease Rental Charges	70,42,910	41,86,300
Rates, Taxes, Licences & Fees	24,34,758	33,44,986
Printing & Stationery	11,65,476	9,68,997
Postage, Telegram & Telephones	15,72,881	13,74,450
Office Electricity & Water	70,18,381	58,36,558
Travelling & Conveyance	30,00,454	33,53,832
Advertisement & Publicity	86,09,755	86,92,708
Donations	0	61,500
Agents Commission	29,03,412	11,10,207
Selling Expenses	92,06,190	1,12,23,170
Insurance	17,46,281	18,86,095
Audit Fees	4,41,200	2,24,720
Directors' Sitting Fees	88,000	80,000
Legal & Professional Charges	21,58,835	12,21,109
Security Service Charges	3,24,939	3,29,682
Repairs to Buildings	2,15,909	34,149
Repairs to Machinery	4,65,921	4,92,840
Repairs to Other Assets	9,50,679	4,99,652
Vehicle Maintenance	16,64,007	12,07,848
Miscellaneous Expenses	11,78,657	13,59,155
Loss on Sale of Fixed Assets	0	20,68,135
Assets Written Off	1,57,683	0
Sundry Balances Written Off	9,021	82,442
<b>TOTAL</b>	<b>5,48,58,789</b>	<b>5,21,41,975</b>
<b>SCHEDULE-20</b>		
<b>FINANCE CHARGES</b>		
Interest on Working Capital	5,70,75,846	3,38,78,538
Interest on Term Loan	7,71,48,143	6,20,83,865
Interest on Un-Secured Loan	1,12,05,495	0
Interest on Others	37,56,673	16,41,991
Foreign Exchange Fluctuations- (gain) / loss	2,79,80,804	(25,04,765)
Exchange Loss on Derivatives	1,41,07,623	0
Bank & Finance Charges	57,32,941	39,66,641
<b>TOTAL</b>	<b>19,70,07,525</b>	<b>9,90,66,270</b>

**SCHEDULE - 21**

**A. SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF ACCOUNTING**

The financial statements are prepared under the historic cost convention on the basis of a going concern with revenues recognized and expenses accounted on their accrual.

**2. FIXED ASSETS**

Fixed Assets are stated at cost. Expenditure which is of capital nature is capitalized. Such expenditure comprises purchase price, import duties, levies and any directly attributable cost of bringing the assets to their working condition. Depreciation is provided under the Straight Line Method at rates prescribed under Schedule XIV to the Companies Act, 1956.

**3. GOVERNMENT GRANTS**

Grants and subsidies are recognized when there is a reasonable assurance that the grant or subsidy will be received and that all the underlying conditions will be complied.

**4. LEASES**

- a) Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits as per the terms of the lease agreement over the lease period.
- b) Assets created on the leasehold property are depreciated over the period of the lease.

**5. INVESTMENTS**

Long-term investments are stated at cost, and provision is made when there is a decline, other than temporary in the carrying value of such investments.

**6. INVENTORIES**

Raw Materials, Stores & Spares and Work in Process are valued at cost or net realizable value which ever is lower using FIFO cost method. Finished Goods are valued at cost or net realizable Value, whichever is lower.

**7. EMPLOYEE BENEFITS**

**a) Defined Contribution Plan:**

Contribution as per the Employee's Provident Funds and Miscellaneous Provisions Act, 1962 towards Provident Fund and Family Pension Fund are provided for and payments in respect thereof are made to the relevant authorities on actual basis.

**b) Defined Benefit Plan:**

Gratuity: In accordance with applicable Indian laws, the Company provides gratuity, a defined benefit retirement plan (Gratuity Plan) covering all employees. The gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount

based on the respective employee's last drawn salary and the years of employment with the Company. Liability with regard to Gratuity Plan is accrued based on actuarial valuation at the balance Sheet date.

- c) Liability for Leave is treated as a Short term liability and is accounted for as per the rules of the company in force.

#### **8. FOREIGN CURRENCY TRANSACTIONS**

Revenue transactions in foreign currency are recorded at the exchange rates prevailing on the dates when the relevant transactions took place. The Company recognizes gains/losses on foreign exchange rate fluctuation relating to current assets and current liabilities at the year end.

#### **9. FINANCIAL DERIVATIVES HEDGING TRANSACTIONS**

In respect of derivatives contracts, premium paid, provision for losses on restatement/losses on settlement are recognized in the Profit and Loss account.

#### **10. BORROWING COSTS:**

Borrowing Costs which are directly attributable to the acquisition/ construction of fixed assets, till the time such assets are ready for intended use, are capitalized as part of the costs of such assets. Other Borrowing costs are recognized as expenses in the year in which they are incurred.

#### **11. TAXATION**

- a) Current year Charge:

The provision for taxation is based on assessable profits of the Company as determined under the Income Tax Act; 1961. Provision is also made for Fringe Benefit Tax.

- b) **Deferred Tax:**

The Company is providing and recognizing deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence.

#### **12. IMPAIRMENT OF ASSETS**

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

#### **13. CONTINGENT LIABILITIES**

Contingent liabilities arising from claims, litigation, assessment, etc are provided for when it is probable that a liability may be incurred and the amount can be reliably estimated.

**B. NOTES ON ACCOUNTS**

1. Contingent Liability not provided for in respect of claims against the Company not acknowledge as debts:
  - Estimated amount of liability on account of Capital Commitments Rs.5975.02 Lakhs includes Rs.5749.25 Lakhs towards Software Park. (Previous year Rs.5256.75 Lakhs include Rs.5117.00 Lakhs towards Software Park).
  - Entry Tax matters under appeal at Hon'ble A.P. High Court- Rs.17.21 Lakhs (Previous year Rs.17.21 Lakhs).
  - Counter Guarantee given to Bankers towards Bank Guarantee 19.05 Lakhs (Previous year Rs.2.00 Lakhs).
  - Export Obligation is Rs. 9,39,30,216/- ( US \$ 23,36,573) over a period of 8 years for concessional duty availed for import of machinery .
  - Income Tax Assessment year 2005-2006 and 2006-2007 Rs.26.11 Lakhs for which Company had filed an Appeal before Commissioner of Income Tax, Hyderabad.
2. In the opinion of the management current assets, loans & advances and other assets have the value at which they are stated in the Balance Sheet and are realizable in the ordinary course of business.
3. The Company has not received intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to their outstanding amount and interest has not been made.
4. Working Capital facilities availed by the Company from State Bank of India & AXIS Bank Limited under consortium arrangement are secured by Pari-Passu first charge on Current Assets of the Company, Pari-Passu Second charge on entire block of assets of the Company and further guaranteed by two Directors of the Company and their family members.
5. Term Loan facility availed by the Company from State Bank of India, AXIS Bank Limited is secured by first charge, by way of Equitable Mortgage of property of the Company and entire block of Fixed Assets of the company present and future and further guaranteed by two Directors of the company and their family members.
6. Term Loan facility availed by the Company from Central Bank of India is secured by first charge, by way of Equitable Mortgage of property of the Company and entire block of Fixed Assets of the company present and future, hypothecation of credit card receivables, pari-passu charge on entire current assets.
7. The Company has availed FCDL for US \$ 1780858.28 by earmarking the cash credit facility to the extent of Rs.7.00 Cores. As per the sanction the facility will be rolled over every six months subject to availability of funds and pricing of lending bank. The bank opined that the revaluation of the facility is not required/necessary as on the date of balance sheet.
8. Capital work in progress includes Rs.68.83 Crores (Previous year Rs.62.23 Crores) towards Software Park.
9. Loans and advances includes advances for Capital Assets Rs.89.47 Lakhs. (Previous Year Rs.8.60 Lakhs).

10. Additional Information pursuant to the provisions of Schedule VI of the Companies Act, 1956.

	2008-2009		2007-2008	
<b>A. Licensed and Installed Capacity:</b>				
Licensed Capacity	Not applicable		Not applicable	
Installed Capacity	150 Lakhs Mtr.		150 Lakhs Mtr.	
	<b>QUANTITY (IN MTRS)</b>	<b>VALUE RUPEES</b>	<b>QUANTITY (IN MTRS)</b>	<b>VALUE RUPEES</b>
<b>B. PRODUCTION:</b>				
Printing of Grey Cloth				
– Polyester:				
Own Production	51,95,395		1,22,30,224	
On Job Work	0		44,047	
– Cotton:				
Own Production	33,92,528		8,43,178	
<b>C. JOB WORK:</b>				
Weaving of Grey Cloth	16,88,406		69,91,171	
Conversion of Cotton Fabrics	1,82,397		41, 073	
<b>D. BREAKUP OF PURCHASES:</b>				
Polyester Grey	45,63,808	9,01,70,146	30,71,526	6,75,72,098
Cotton Grey	31,80,148	10,21,17,974	10,19,688	3,59,31,557
Textile Fabrics etc.	1,23,46,817	65,66,55,254	60,77,230	52,63,71,065
<b>E. BREAKUP OF SALES:</b>				
Polyester Grey	0	0	4,29,028	42,27,895
Textile Fabrics - Polyester	2,04,17,910	99,94,98,997	1,20,51,385	95,47,33,707
Textile Fabrics - Cotton	23,72,080	10,65,70,782	1,85,100	77,21,976
<b>F. BREAKUP OF FINISHED GOODS STOCK (PRODUCTION)</b>				
a) Opening Stocks :				
– Polyester:				
Finished Goods	1,37,99,782	48,02,59,615	74,99,666	45,75,22,289
Stock in Process	7,200	1,42,990	2,47,433	21,01,309
	1,38,06,982	48,04,02,605	77,47,099	45,96,23,598
– Cotton:				
Finished Goods	6,17,005	2,51,69,308	0	0
Stock in Process	1,13,626	49,24,982	0	0
	7,30,631	3,00,94,290	0	0

**Schedules Forming part of the  
Accounts (Contd.)**



**TEXTILES LIMITED**

b) Closing Stock:				
– Polyester:				
Finished Goods	1,09,24,084	47,77,89,207	1,37,99,782	48,02,59,615
Stock in Process	1,91,825	40,79,994	7,200	1,42,990
	1,11,15,909	48,18,69,201	1,38,06,982	48,04,02,605
– Cotton:				
Finished Goods	14,55,056	6,52,73,363	6,17,005	2,51,69,308
Stock in Process	1,19,782	41,34,048	1,13,626	49,24,982
	15,74,838	69,407,411	7,30,631	3,00,94,290
G. RAW-MATERIALS CONSUMED:				
a) YARN	Quantity(Kg)	Value(Rs.)	Quantity(Kg)	Value(Rs.)
Opening Stock	14,429	12,32,568	52,430	41,69,807
Add: Purchases	1,63,259	1,05,52,089	5,47,917	4,25,56,779
	1,77,688	1,17,84,657	6,00,347	4,67,26,586
Less: Closing Stock	13,779	24,07,315	14,429	12,32,568
Consumption	1,63,909	93,77,342	5,85,918	4,54,94,018
b) GREY CLOTH				
Opening Stock	54,117	13,29,899	34,99,830	3,24,49,917
Add: Purchases	45,63,808	9,02,08,236	30,71,526	6,75,26,556
Add : Weaving	16,88,406	27,60,261	69,91,171	1,14,93,152
	63,06,331	9,42,98,396	1,35,62,527	11,14,69,625
Less: Closing Stock	1,54,040	24,12,227	54,117	13,29,899
Consumption	61,52,291	9,18,86,169	1,35,08,410	11,01,39,726
c) COTTON GREYCLOTH:				
Opening Stock	99,820	48,32,346	0	0
Add: Purchases	31,80,148	10,21,17,974	10,19,688	3,59,31,557
	32,79,968	10,69,50,320	10,19,688	3,59,31,557
Less: Closing Stock	1,218	31,668	99,820	48,32,346
Consumption	32,78,750	10,69,18,652	9,19,868	3,10,99,211
d) EMBROIDERY THREADS ( IN BOXES):				
Opening Stock	0	0	0	0
Add: Purchases	4,592	8,53,892	0	0
	4,592	8,53,892	0	0
Less: Closing Stock	2,696	6,71,966	0	0
Consumption	1,896	1,81,926	0	0

e) EMBROIDERY THREADS ( IN CONES):				
Opening Stock	0	0	0	0
Add: Purchases	842	46,997	0	0
	842	46,997	0	0
Less: Closing Stock	172	9,470	0	0
Consumption	670	37,527	0	0
f) COLOURS & CHEMICALS:				
As the varieties are numerous in different quantities, these figures are not accurately ascertainable.				
H. PERCENTAGE OF RAW-MATERIALS CONSUMED:				
Indigenous	100%	76,67,34,123	100%	69,09,39,556
Imported	---	---	---	---
	100%	76,67,34,123	100%	69,09,39,556
I. PERCENTAGE OF STORES & CONSUMABLES CONSUMED:				
Indigenous	100%	54,63,345	100%	49,94,778
Imported	---	---	---	---
	100%	54,63,345	100%	49,94,778
J. REMUNERATION TO DIRECTORS:				
Managing Director:				
– Salary		33,00,000		24,00,000
– Perquisites		0		7,20,000
		33,00,000		31,20,000
Executive Director:				
– Salary		19,20,000		12,66,000
– Perquisites		0		3,79,800
		19,20,000		16,45,800
K. REMUNERATION TO STATUTORY AUDITORS:				
a) Audit Fee		3,30,000		1,65,000
b) Tax Audit		60,000		30,000
c) Certification Charges		10,000		5,000
d) Service Tax		41,200		24,720
		4,41,200		2,24,720
L. VALUE OF IMPORTS (CIF BASIS):				
Capital Goods		3,23,99,829		Nil
M. EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF TRAVELLING EXPENSES				
		62,898		1,77,267



**Schedules Forming part of the  
Accounts (Contd.)**



**TEXTILES LIMITED**

N. EARNINGS IN FOREIGN EXCHANGE:			
FOB VALUE OF EXPORTS		<b>1,69,82,345</b>	2,46,32,207

11. Employee Benefits:

Consequent upon adoption of Accounting Standard on "Employee Benefits" issued by the Institute of Chartered Accountants of India, the company has debited a sum of Rs.1,30,620/-.

12. The Company's operations mainly consists of only one segment - Polyester and Cotton Fabrics (manufacturing and trading) and therefore the figure above relate to that segment.

13. Related Parties Disclosures:

Related party disclosures as required by AS 18 "Related Party Disclosure" are given below:

(Rupees in Lakhs)

Name of the Party	Nature of Transaction	Amount
Vijay Kumar Gupta	Rent	5.18
	Remuneration	33.00
	Interest	87.28
Vijay Kumar Gupta(HUF)	Rent	6.47
	Rent	4.33
Susheel Kumar Gupta	Remuneration	19.20
	Interest	11.48
Shashikala Gupta	Rent	5.18
Mani Bai Gupta	Rent	3.88

14. The Company's Lease Agreement is in respect of Building at Ameerpet, Kukatpally, Dilsukhnagar, and A.S. Rao Nagar show rooms. The lease rentals payable are charged as "Lease Rental charges" under "Other Expenses" in Schedule - I8. This Leasing arrangement are for the period exceeds 5 years and renewable by mutual consent on mutually agreeable terms. Future lease rental payable are as under

(Rupees in Lakhs)

Particulars	As at March31, 2009*	As at March31, 2008
Payable:		
Not Later than one year	189.90	65.31
Later than one year but not later than five years	1040.09	366.83
Later than five years	2280.00	593.44

\* The above figures are given without discounting at present value.

15. Deferred Tax

Sl.No	Particulars	As at 31.03.2009	As at 31.03.2008
a.	Deferred Tax liability on account of Depreciation	815.95	732.46
b.	Deferred Tax asset on account of Others	1.57	2.81
c.	Deferred Tax Liability (Net)	814.38	729.65

16. The company has not provided for cess u/s 441A of the Companies Act, 1956 as the Central Government has not specified the rules and manner of depositing the same.
17. Borrowing costs capitalized during the year on various assets Rs.10,87,817/- (Previous Year-Rs. 90,34,890/-)
18. The previous year's figures have been regrouped and rearranged wherever necessary so as to make them comparable with the current year.

This is the Profit & Loss Account referred to in our Report of even date.

As per our Report attached  
for **LAXMINIWAS & JAIN**  
Chartered Accountants

**Laxminiwas Sharma**  
Partner  
Membership No.014244

Place : Secunderabad  
Date : 29th June, 2009

For and on behalf of the Board

**Vijay Kumar Gupta**  
Managing Director

**Susheel Kumar Gupta**  
Executive Director

**S Nagarajan**  
Company Secretary

**CASH FLOW STATEMENT FOR THE  
YEAR ENDED 31ST MARCH, 2009**



**TEXTILES LIMITED**

	2008-2009		2007-2008	
	Rupees	Rupees	Rupees	Rupees
<b>A. CASH FROM OPERATING ACTIVITIES:</b>				
Net -profit Before Tax And Extraordinary Items		<b>6,41,81,313</b>		10,03,62,761
Adjustment For				
– Depreciation	<b>3,12,41,295</b>		2,53,64,232	
– Interest	<b>15,49,19,098</b>		10,15,71,035	
– Loss On Sale Of Fixed Assets	<b>0</b>		20,68,135	
– Dividend Received	<b>(2,71,800)</b>		(6,63,600)	
– Foreign Exchange Fluctuations	<b>4,20,88,427</b>		(25,04,765)	
– Interest Received	<b>(9,13,394)</b>		(5,90,883)	
– Income From Investment	<b>(14,83,632)</b>		(7,82,686)	
		<b>22,55,79,994</b>		12,44,61,468
Operating Profit Before Working Capital Changes:		<b>28,97,61,307</b>		22,48,24,229
Adjustment For				
– Trade & Other Receivables	<b>(4,02,91,936)</b>		(6,05,58,528)	
– Inventories	<b>(4,35,16,948)</b>		(4,77,69,357)	
– Trade Payable	<b>3,67,47,928</b>		3,63,537	
		<b>(4,70,60,956)</b>		(10,79,64,348)
Cash Generated From Operations		<b>24,27,00,351</b>		11,68,59,881
– Interest Paid	<b>(15,49,19,098)</b>		(10,15,71,035)	
– Direct Taxes Paid	<b>(1,53,55,000)</b>		(2,69,55,284)	
		<b>(17,02,74,098)</b>		(12,85,26,319)
Cash Flow Before Extraordinary Items		<b>7,24,26,253</b>		(1,16,66,438)
Extraordinary Items		<b>(4,20,88,427)</b>		25,04,765
Net Cash Flow From Operating Activities (A)		<b>3,03,37,826</b>		(91,61,673)
<b>B. Cash Flow From Investing Activities:</b>				
Purchase Of Fixed Assets	<b>(24,10,96,255)</b>		(39,40,16,973)	
Sale Of Fixed Assets	<b>1,09,07,427</b>		7,24,09,049	
Income From Investments	<b>26,68,826</b>		20,37,169	
Decrease In Investments	<b>30,00,000</b>	<b>(22,45,20,002)</b>	6,60,000	(31,89,10,755)
Net Cash Used In Investing Activities (B):		<b>(22,45,20,002)</b>		(31,89,10,755)

**CASH FLOW STATEMENT (Contd.)****TEXTILES LIMITED**

	2008-2009		2007-2008	
	Rupees	Rupees	Rupees	Rupees
<b>C. Cash Flow From Financing Activities:</b>				
Decrease In Bank Borrowings	(3,49,98,582)		3,68,13,118	
Increase In Term Loans	40,14,84,159		10,31,97,356	
Increase In Unsecured Loans	0		21,42,80,482	
Decrease In Unsecured Loans	(8,97,23,242)		0	
Dividend Paid	(2,01,81,637)	25,65,80,698	(2,28,72,523)	33,14,18,433
Net Cash Used In Financing Activities (C):		25,65,80,698		33,14,18,433
Net Increase In Cash And Cash Equivalents (A+B+C) :		6,23,98,522		33,46,005
Opening Cash And Cash Equivalents:		1,03,75,100		70,29,095
Closing Cash And Cash Equivalents:		7,27,73,622		1,03,75,100

This is the Cash Flow Statement referred to in our Report of even date.

As per our Report attached  
for **LAXMINIWAS & JAIN**  
Chartered Accountants

For and on behalf of the Board

**Laxminiwas Sharma**  
Partner  
Membership No.014244

**Vijay Kumar Gupta**  
Managing Director

**Susheel Kumar Gupta**  
Executive Director

Place : Secunderabad  
Date : 29th June, 2009

**S Nagarajan**  
Company Secretary



# Vijay TEXTILES LIMITED

Registered Office : Surya Towers 104, S. P. Road, Secunderabad - 500 003.

## ATTENDANCE SLIP

19th Annual General Meeting Thursday, the 24th September, 2009 at 11.00 A.M.

DPId*
Client Id*

Reg. Folio No.
----------------

Name and address of the Shareholder : \_\_\_\_\_

No. of Share(s) held : \_\_\_\_\_

I certify that I am a member/proxy for a member of the Company. I hereby record my presence at the 19th Annual General Meeting of the Company, at Surana Udyog Auditorium, The Federation of A.P. Chamber of Commerce & Industry, Federation House, 11-6-841, Red Hills, Hyderabad - 500 004. at 11.00 A.M. on Thursday, the 24th September, 2009.

\_\_\_\_\_  
\*\* Member's/Proxy's name in Block Letters

\_\_\_\_\_  
\*\* Member's/Proxy's Signature

- Note : 1. Member/Proxy must bring the Attendance Slip to the Meeting and hand it over, duly signed at the registration counter.  
2. NO GIFTS WILL BE GIVEN.

\* Applicable for Investors holding shares in electronic form.

\*\* Strike out whichever is not applicable.



# Vijay TEXTILES LIMITED

Registered Office : Surya Towers 104, S. P. Road, Secunderabad - 500 003.

## PROXY FORM

DPId*
Client Id*

Reg. Folio No.
----------------

I/We ..... of .....  
being member/members of M/s. VIJAY TEXTILES LIMITED, hereby appoint .....  
of ..... or failing him .....  
of .....  
as my / our proxy to vote for me/us on my/our behalf at the 19th Annual General Meeting of the Company, at Surana Udyog Auditorium, The Federation of A.P. Chamber of Commerce & Industry, Federation House, 11-6-841, Red Hills, Hyderabad - 500 004. at 11.00 A.M. on Thursday, the 24th September, 2009, and at every adjournment thereof.

Signed this ..... day of ..... , 2009.

Note : 1. Proxy need not be a member.

2. Proxy Form, complete in all respects, should reach the Registered Office of the Company on or not later than 48 hours before the time for holding of the Meeting.

Please Affix Rs.1/- Revenue Stamp
--------------------------------------------

Signature

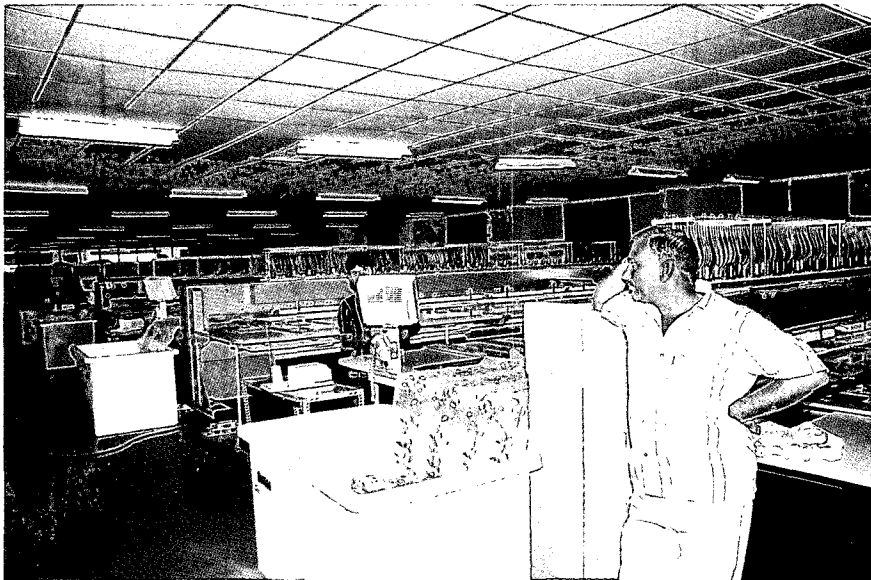
\* Applicable for Investors holding shares in electronic form.

12\*,)76:,//%( \*,9(1

12\*,)76:,//%( \*,9(1

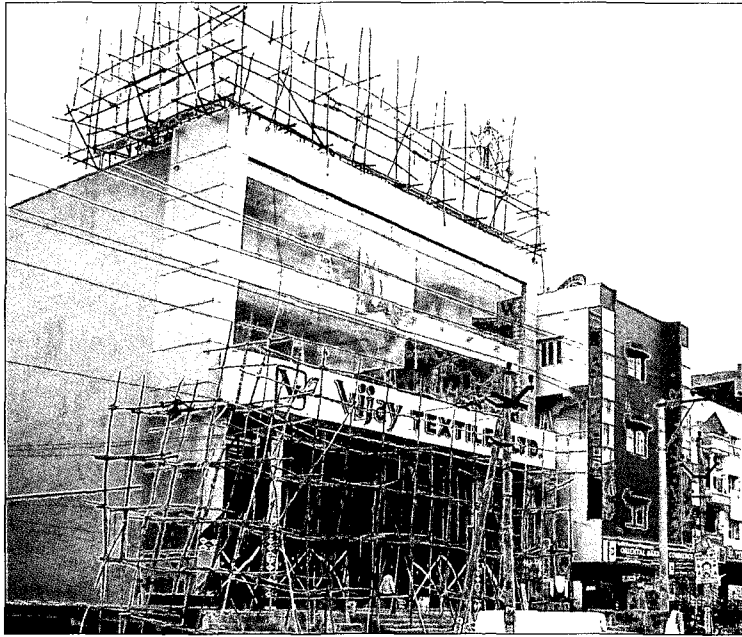


Our New Show Room At Dilsukh Nagar, Hyderabad



A View Of Our New Embroidery Unit At Rajapoor Factory

Printed Matter  
Book - Post



Our New Upcoming Showroom at A S Rao Nagar, Secunderabad

*if undelivered, please return to :*



**TEXTILES LIMITED**

**CORPORATE OFFICE**

Surya Towers, Ground Floor,  
104, Sardar Patel Road,  
Secunderabad - 500003

Telephone : 27848479/27844086

Facsimile : + 91-40-2784 6849

Email : [info@vijaytextiles.in](mailto:info@vijaytextiles.in)

Website : [www.vijaytextiles.in](http://www.vijaytextiles.in)