

To,

Date: 01.10.2021

BSE Limited  
P. J. Towers, Dalal Street  
Mumbai - 400 001

Dear Sir/ Madam,

**Sub: Revised 31<sup>st</sup> Annual Report for the Financial Year 2020-2021**

**Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Unit: Vijay Textiles Limited (Script Code: 530151)**

With reference to the subject cited, please find enclosed revised 31<sup>st</sup> Annual Report of the Company mentioning the Statutory Auditors details in corporate information of Annual Report (pg. 2) pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for the information and records of the exchange, please.

Thanking you.

Yours faithfully,  
For Vijay Textiles Limited



**Neha Kankariya**  
Company Secretary & Compliance Officer



Encl. as above

Furnishings...  
Simply Incredible!



**31<sup>ST</sup>**  
**ANNUAL**  
**REPORT**  
**2020-2021**



**Vijay**  
**TEXTILES LIMITED**

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## CORPORATE INFORMATION

<b>Shri Vijay Kumar Gupta</b>	- Chairman and Managing Director
<b>Shri Susheel Kumar Gupta</b>	- Whole-time Director and Chief Financial Officer
<b>**Shri Rakesh Malhotra</b>	- Whole-time Director
<b>*Shri.M. Srikanth Reddy</b>	- Independent Director
<b>Smt. C.A. Alka Zanwar</b>	- Independent Director
<b>Shri C.A. Penmetsa Vikram</b>	- Independent Director
<b>Shri CA. Pankaj Kumar Trivedi</b>	- Independent Director
<b>*resigned w.e.f. 01.10.2020</b>	<b>**appointed w.e.f. 27.10.2020</b>

## COMPANY SECRETARY AND COMPLIANCE OFFICER

Smt. Neha Kankariya

## STATUTORY AUDITORS

M/s.Laxminiwas &amp; Co,

Chartered Accountants,

6-3-569, 4th Floor, Opp: RTA Office, Khairatabad

Hyderabad, Telangana – 500 082

(up to conclusion of 31st AGM)

M/s. S V D &amp; Associates

Chartered Accountants

#402, mogul courts building, Basheerbagh Rd,

Fateh Maidan, Abids, Hyderabad - 500001 Telangana

(To be appointed in 31st AGM)

## INTERNAL AUDITORS

M/s. Sankaran &amp; Krishnan,

Chartered Accountants,

Plot No: 80, Devi Residency, Flat No:302,

Telecom Nagar, Gachibowli, Hyderabad-500032.

## SECRETARIAL AUDITOR

S.S. Reddy &amp; Associates

Practicing Company Secretaries

Plot No. 8-2-603/23/3 &amp; 8-2-603/23, 15,

2nd Floor, HSR Summit, Banjara Hills, Road No. 10,

Beside No. 1 News Channel Office,

Hyderabad – 500034.

## COST AUDITORS

M/S Nageshwara Rao &amp; Co

Hyderabad

## BANKERS:

## State Bank of India

Industrial Finance Branch, Somajiguda, Hyderabad-500 082

## Axis Bank Limited

Begumpet, Hyderabad-500 016

## REGISTRARS &amp; SHARE TRANSFER AGENTS

Aarthi Consultants Private Limited

1-2-285, Domalguda, Hyderabad-500029

## REGISTERED OFFICE

Surya Towers, Ground Floor

104, Sardar Patel Road, Secunderabad – 500 003

CIN: L18100TG1990PLC010973 EMAIL: info@vijaytextiles.in

## AUDIT COMMITTEE

Shri CA Penmetsa Vikram

Smt. CA Alka Zanwar,

Shri CA Pankaj Kumar Trivedi.

## NOMINATION &amp; REMUNERATION COMMITTEE

Shri CA Penmetsa Vikram

Smt. CA Alka Zanwar

Shri CA Pankaj Kumar Trivedi

## STAKEHOLDERS RELATIONSHIP COMMITTEE

Shri CA Penmetsa Vikram

Smt. CA Alka Zanwar

Shri CA Pankaj Kumar Trivedi

## CSR COMMITTEE:

Shri Vijay Kumar Gupta

Shri Susheel Kumar Gupta

Shri CA Penmetsa Vikram

LISTED AT : BSE Limited

ISIN : INE256G01033

WEBSITE : www.vijaytextiles.in

INVESTOR E-MAIL ID : info@vijaytextiles.in

## FACTORY:

Survey No: 139 to 141 &amp; 143, Rajapoor – 509 202,

Rajapoor, Mahaboobnagar, Telangana

## WHOLESALE DEPOT:

Plot No: 46, Road No: 12, APIIC, Kattedan, Hyderabad – 500077

## RETAIL SHOW ROOMS:

1. Surya Towers, Ground Floor,  
104, Sardar Patel Road, Secunderabad – 500003
2. D. No. 6-3-852/3, Near Lal  
Bungalow, Ameerpet, Hyderabad – 500016
3. D. No. 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, Survey No. 127 &  
130/1, Kothapet, Dilukhannagar, Hyderabad – 500060
5. D. No. 19-94/1, Survey No: 466,  
Housing Colony, A.S.Rao Nagar, Secunderabad – 500062

## NOTICE OF THE 31<sup>ST</sup> ANNUAL GENERAL MEETING



## TEXTILES LIMITED

**NOTICE** is hereby given that the 31<sup>st</sup> Annual General Meeting of **Vijay Textiles Limited** will be held on Thursday, the 30<sup>th</sup> day of September, **2021 at 11.00 a.m.** through Video Conference/ Other Audio Visual Means (oavm) to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2021 together with Cash Flow Statement and notes appended thereto together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in the place of Shri. Susheel Kumar Gupta (DIN: 00362714), who retires by rotation and being eligible, offers himself for re appointment.
3. Appointment of M/s. S V D & Associates, Chartered Accountants as Statutory Auditors of the Company:

**“RESOLVED THAT** pursuant to the provisions of sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force), as may be applicable and based on the recommendations of the Audit committee, the consent of the members be and is hereby accorded to appoint M/s. S V D & Associates, Chartered Accountants., (ICAI Firm Registration Number 0154055) as the Statutory Auditors of the Company to hold office for a term of 5 (five) years, from the conclusion of this ensuing Annual General Meeting until the conclusion of the Annual General Meeting of the Company to be held in the year 2026 at a remuneration of Rs. 4,50,000/ (Rupees Four Lakhs Fifty Thousand Only) per annum plus taxes as applicable.”

**“FURTHER RESOLVED THAT** the Board is hereby authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”

### SPECIAL BUSINESS:

4. **RATIFICATION OF PAYMENT OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2021-2022:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 148(3) and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification (s) or re-enactments thereof, for the time being in force), and on recommendations of the Audit Committee and as approved by the Board of Directors, consent of the Members be and is here by accorded for payment of remuneration to M/s Nageswara Rao & Co, (Registration No.000332) Cost Accountants to conduct the audit of the Cost Records of the Company for the Financial Year ended 31<sup>st</sup> March, 2022 on a remuneration of Rs. 35,000/- (Rupees Thirty-Five Thousand Only) plus out of pocket expenses and applicable taxes.”

**“RESOLVED FURTHER THAT** the Board is hereby authorized to take all necessary steps as may be necessary to give effect to the above Resolution including filing of all such necessary documents as may be required in this regard.”

5. **RE-APPOINTMENT OF SHRI. SUSHEEL KUMAR GUPTA (DIN: 00362714) AS WHOLE-TIME DIRECTOR OF THE COMPANY:**

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

**“RESOLVED THAT** pursuant to the Provisions of Section 196, 197, and 203 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any Statutory Modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded for re-appointment of Shri. Susheel Kumar Gupta, (DIN: 00362714) as Whole-time Director of the Company for a period of three (3) Years with effect from 01.04.2021 to 31.03.2024 at a present remuneration of Rs. 3,50,000/- P.M and the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits in terms of Schedule V of the Companies Act, 2013, as amended from time to time.”

**“RESOLVED FURTHER THAT** in the event of losses or inadequacy of profits in any Financial Year during his tenure, the Company shall pay to Shri. Susheel Kumar Gupta, remuneration by way of salaries and allowances

as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time”.

**“RESOLVED FURTHER THAT**, the Board be and is hereby authorized to approve the terms and conditions including any changes in remuneration and to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the Resolution.”

**6. A) APPOINTMENT OF SHRI. RAKESH MALHOTRA (DIN : 05242639) AS DIRECTOR OF THE COMPANY:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 152, 161, 164 and any other applicable provisions of the Companies Act, 2013 (“the Act”), read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Articles of Association of the Company and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby accorded to appoint Shri. Rakesh Malhotra, who was appointed as an Additional Director (Category: Executive Director) of the Company with effect from 27.10.2020 by the Board and who holds office up to the date of this Annual General Meeting or the last date on which AGM should have been held, whichever is earlier, as a Director (category – Executive) of the Company, and his period of office will be liable to determination by retirement of directors by rotation in the ensuing Annual General meeting.”

**“RESOLVED FURTHER THAT** Shri. Vijay Kumar Gupta, Managing Director or Smt. Neha Kankariya, Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary to give full effect to the foregoing resolution.”

**B) APPOINTMENT OF SHRI. RAKESH MALHOTRA (DIN: 05242639) AS WHOLETIME DIRECTOR OF THE COMPANY**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197 read with Schedule V, and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder including any statutory modification or re-enactment thereof for the time being in force, SEBI (LODR) Regulations, 2015, and pursuant to recommendation of the Nomination and Remuneration Committee and the Board of Directors, consent of the members be and is hereby accorded to appoint Shri. Rakesh Malhotra (DIN: 05242639) as an Whole-time Director of the Company for a term of 3 years w.e.f. 27.10.2020 at a remuneration of Rs. 12,00,000 PA and provision of car.”

**“FURTHER RESOLVED THAT** Shri. Vijay Kumar Gupta, Managing Director and/or Shri. Susheel Kumar Gupta, Whole-time Director of the Company be and is hereby authorized to do all such acts, deeds and things as may be required and file required e-forms with the Registrar of Companies, Telangana to give effect to the above resolution.”

**7. RE-APPOINTMENT OF SHRI. VIKRAM PENMETS (DIN: 07577396) AS INDEPENDENT DIRECTOR OF THE COMPANY:**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution:

**“RESOLVED THAT** pursuant to the Provisions of Sections 149, 150, 152 and Schedule IV and other applicable provisions if any, of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), 2015 including any Statutory Modification(s) or re-enactment thereof for the time being in force, Articles of Association of the Company, and pursuant to recommendation of the Nomination and Remuneration Committee and the Board of Directors, the approval of the Members of the Company be and is hereby accorded

for re-appointment of Shri. Vikram Penmetsa (DIN: 07577396) as an Independent Director and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), 2015 as amended from time to time, and who is eligible for re-appointment for a Second term under the provisions of the Companies Act, 2013, Rules made thereunder and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), 2015 and whose term shall not be liable to retire by rotation, to hold office for a term of 2 (two) consecutive years on the Board of the Company w.e.f. with effect from 28<sup>th</sup> July, 2021 up to 27<sup>th</sup> July, 2023.”

**“FURTHER RESOLVED THAT** Shri. Vijay kumar Gupta, Managing Director, Shri. Susheel Kumar Gupta, Whole-time Director& CFO and Smt. Neha Kankariya, Company Secretary of the Company be and is hereby severally authorized to file all the necessary forms with the office of Registrar of Companies and to do all other acts, deeds, things as may be necessary to give effect to the above resolution.”

**8. RE-APPOINTMENT OF SMT. ALKA ZANWAR (DIN: 07577453) AS INDEPENDENT DIRECTOR OF THE COMPANY:**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution:

**“RESOLVED THAT** pursuant to the Provisions of Sections 149,150,152 and Schedule IV and other applicable provisions if any, of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), 2015 including any Statutory Modification(s) or re-enactment thereof for the time being in force, Articles of Association of

the Company, and pursuant to recommendation of the Nomination and Remuneration Committee and the Board of Directors, the approval of the Members of the Company be and is hereby accorded for re-appointment of Smt. Alka Zanwar (DIN: 07577453) as an Independent Director and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), 2015 as amended from time to time, and who is eligible for re-appointment for a Second term under the provisions of the Companies Act, 2013, Rules made thereunder and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), 2015 and whose term shall not be liable to retire by rotation, to hold office for a term of 2 (two) consecutive years on the Board of the Company w.e.f. with effect from 28<sup>th</sup> July, 2021 up to 27<sup>th</sup> July, 2023.”

**“FURTHER RESOLVED THAT** Shri. Vijay kumar Gupta, Managing Director, Shri. Susheel Kumar Gupta, Whole-time Director& CFO and Smt. Neha Kankariya, Company Secretary of the Company be and is hereby severally authorized to file all the necessary forms with the office of Registrar of Companies and to do all other acts, deeds, things as may be necessary to give effect to the above resolution.”

For and behalf of the Board  
**Vijay Textiles Limited**

Sd/-  
**Vijay Kumar Gupta**  
Chairman & Managing Director  
(DIN: 01050958)

Date: 14.08.2021  
Place: Secunderabad

**NOTES:**

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the 31<sup>st</sup> Annual General Meeting as set out in the Notice is annexed hereto.
2. In pursuance of Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings, details in respect of the Directors seeking appointment/ re-appointment at the AGM, form part of this Notice.
3. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 and extended circular dated January 13, 2021. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/ OAVM.
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
7. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [https:// www.vijaytextiles.in](https://www.vijaytextiles.in). The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM i.e. [www.evotingindia.com](http://www.evotingindia.com)).
9. The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2021 to 30.09.2021 (Both days inclusive).
10. Recent circular requires submission of Aadhar/PAN number by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit Aadhar card/PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their Aadhar card/PAN details to the Company/ Registrar and Share Transfer Agents (Aarthi Consultants Pvt Limited)
11. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to Aarthi Consultants Pvt Limited., Share Transfer Agents of the Company for their doing the needful.



12. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
13. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the Company and correspond with them directly regarding share transfer/transmission /transposition, Demat/Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
14. In terms of Section 72 of the Companies Act, 2013, a member of the Company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the Company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
15. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
16. The company has appointed M/s. S.S. Reddy & Associates, Practicing Company Secretaries, as scrutinizer of the company to scrutinize the voting process.
17. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
18. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice:

**19. THE INTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on Monday, 27<sup>th</sup> September 2021 at 09.00 A.M. and ends on 29<sup>th</sup> September 2021 at 05.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23.09.2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:**

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>

Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>
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- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Vijay Textiles Limited> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xvii) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address [info@vijaytextiles.in](mailto:info@vijaytextiles.in) (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.
  9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
  10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Shri. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43

**20. OTHER INSTRUCTIONS:**

- (i) The voting rights of shareholders shall be in proportions to the shares held by them in the

- paid equity share capital of the Company as on the cut-off date i.e. 23.09.2021.
- (ii) The Scrutinizer shall after the conclusion of the Voting at the Annual General Meeting first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by him.
- (iii) Voting is provided to the members through e-voting and at the Annual General Meeting of the Company. A Member can opt for only one mode of voting i.e. either through e-voting or at the Annual General Meeting of the Company.
- (iv) If a Member casts votes by both modes, then voting done through e-voting shall prevail.
- (v) The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.vijaytextiles.in](http://www.vijaytextiles.in) and on the website of CDSL and will be communicated to the BSE Limited.
21. In terms of Companies Act, the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF).
22. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
23. Relevant documents referred to in the accompanying Notice, as well as Annual Report are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. up to the date of Annual General Meeting.
24. SEBI has notified vide Notification No. SEBI/LAD-NRO/GN/2018/24 that securities of the listed companies can be transferred only in dematerialized form. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.
25. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated 21<sup>st</sup> April and 29<sup>th</sup> April 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

For and behalf of the Board  
**Vijay Textile Limited**

Sd/-  
**Vijay Kumar Gupta**  
Chairman & Managing Director  
(DIN: 01050958)

Place: Secunderabad  
Date: 14.08.2021

## EXPLANATORY STATEMENT

### PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

#### ITEM NO: 3

#### APPOINTMENT OF M/S. S V D & ASSOCIATES, CHARTERED ACCOUNTANTS AS STATUTORY AUDITORS OF THE COMPANY:

Pursuant to the Provisions of Section 139 of the Act read with applicable Rules framed thereunder, M/s. Laxminiwas & Co., Chartered Accountants were appointed as Statutory Auditors of the Company for a period of 4 years in the AGM held on 26.09.2017. The Tenure of M/s Laxminiwas & co. as Statutory Auditor shall complete after the conclusion of the forthcoming Annual General Meeting and hence, would retire at the conclusion of the forthcoming 31<sup>st</sup> Annual General Meeting.

The Audit Committee and the Board of Directors have placed on record their appreciation for the professional services rendered by M/s. Laxminiwas & Co., Chartered Accountants during their association with the Company as its auditors.

For the purpose of appointment of new Auditors, the Audit Committee along with the Management, invited proposals from the firms of Chartered Accountants and had detailed discussion with representatives of those firms.

The Committee considered various parameters such as reputation of the firm, knowledge and experience of the partners, understanding of business, technical assessment of the Audit skills and the Audit fees and based on these detailed analysis, the Audit Committee recommended M/s. S V D & Associates, Chartered Accountants, Hyderabad (Firm Registration no. 015405S), Hyderabad as the Company's new Statutory Auditor at a statutory audit fees of Rs. 4,50,000/- (Rupees Four Lakhs Fifty Thousand Only) per annum plus taxes as applicable which is same as the fees paid to the present Auditor.

M/s S V D & Associates is a Hyderabad based CA firm with over 18 years of existence. The firm has a staff of around 50 members including 4 partners. The firm has expertise in Internal Control, Accounting, Finance, Taxation, Auditing, Analysis and Advisory, Corporate Law, Indian GAAP and Ind AS etc. The firm's clients are from Government Institutions, Public and Private companies including banks.

M/s. S V D & Associates., Chartered Accountants, has conveyed their consent to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

Accordingly, as per the said requirements of the Act, M/s. S V D & Associates., Chartered Accountants are proposed to be appointed as auditors for a period of 5 years, commencing from the conclusion of this Annual General Meeting (AGM) until the conclusion of the Annual General Meeting to be held in the year 2026, to the Members for their approval as may be applicable.

The Board of Directors recommends the Ordinary Resolution for approval of the Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution.

Disclosures made by the Company under Regulation 36(5) of SEBI (LODR) Regulations 2015, for seeking appointment of M/s. S V D & Associates.,

S. No.	Particulars	Details
1.	Proposed Fees Payable	4,50,000/ ( Rupees Four Lakhs Fifty Thousand Only) p.a. plus taxes as applicable
2.	Terms of Appointment	Five Years
3.	Basis of Recommendation for appointment/ Re-appointment	Audit Committee
4.	Credentials	As stated above

**ITEM NO: 4****RATIFICATION OF PAYMENT OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2021-2022:**

The Board of Directors in their meeting held on June 12, 2021, on the recommendation of the Audit Committee, has approved the appointment of M/s. Nageswara Rao & Co (Registration No.000332), Cost Accountants as Cost Auditors of the Company for the Financial Year ending 31<sup>st</sup> March, 2022 to conduct the audit of cost records and fixed their remuneration at Rs. 35,000/- (Rupees thirty-five thousand only) plus out of pocket expenses and applicable taxes etc.

As per the provisions of Section 148 of the Act read with the Companies Act, 2013 and as per the Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be subsequently approved by the shareholders of the Company.

Accordingly, the Board of Directors recommends the passing of the above Resolution as an Ordinary Resolution set out in the Item No. 4 of the notice for ratification of payment of remuneration payable to the Cost Auditors for the Financial Year ending 31<sup>st</sup> March, 2022.

None of the Directors/ Key Managerial Personnel and their relatives of the Company is, in any way, concerned or interested, financially or otherwise, in the Resolution.

**ITEM NO: 5****RE-APPOINTMENT OF SHRI. SUSHEEL KUMAR GUPTA (DIN: 00362714) AS WHOLE-TIME DIRECTOR OF THE COMPANY:**

Shri. Susheel Kumar Gupta (DIN: 00362714) was appointed as Whole-time Director of the Company for a period of 5 years from 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2021 at the 26<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September 2016.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 13.02.2021, approved the re-appointment of Shri. Susheel Kumar Gupta (DIN: 00362714) as Whole-time Director of the Company for a term of three years commencing from 01.04.2021 to 31.03.2024 with a remuneration of Rs. 3,50,000 per month.

Accordingly, the Board of Directors recommends the passing of the above Resolution as an Ordinary Resolution set out in the item no. 5 of the notice for reappointment of Shri. Susheel Kumar Gupta (DIN: 00362714).

Save and except, Shri. Susheel Kumar Gupta, Whole-Time Director and CFO being an appointee and Shri. Vijay Kumar Gupta Chairman and Managing Director being his relative, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

**Information in accordance with Schedule V of Companies Act, 2013****I. GENERAL INFORMATION**

<b>1</b>	<b>Nature of Industry:</b> Textile Industry		
<b>2</b>	<b>Date or expected date of commencement of commercial:</b> The Company started its commercial operations on 02.02.1990		
<b>3</b>	<b>In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects:</b> Not Applicable		
<b>4</b>	<b>Financial performance based on given indications</b>		
	<b>Particulars</b>	<b>2018-19 (Rs. in lakhs)</b>	<b>2019-20 (Rs. in lakhs)</b>
	<b>Turnover</b>	9185.34	6581.12
	<b>Net profit after Tax</b>	301.48	(576.25)
<b>5</b>	<b>Foreign investments or collaborations, if any:</b> Not Applicable		



## II. INFORMATION ABOUT THE APPOINTEE:

1.	<b>Background Details:</b> Joined with his father in textile business and has now got a core experience of around 30 years in the industry. He has a strong business acumen and is the mainstay of the Company in bringing it to its present stature.
2.	<b>Past Remuneration:</b> The remuneration drawn by Shri. Susheel Kumar Gupta, CFO and Whole-time Director is Rs. 3,50,000/- per month at present.
3.	<b>Recognition or awards:</b> ---
4.	<b>Job Profile and his suitability:</b> Keeping the past record of Shri. Susheel Kumar Gupta in mind and his contribution towards the Company, it is proposed for payment of remuneration to Shri. Susheel Kumar Gupta Rs. 3,50,000/- per month.
5.	<b>Remuneration proposed:</b> As set out in the Resolutions for the item No.5 the remuneration to Shri. Susheel Kumar Gupta, CFO and Whole-time Director has the approval of the Nomination and Remuneration Committee and Board of Directors, is within the limits specified under Schedule V of Companies Act.
6.	<b>Comparative remuneration profile with respect to industry, size of the Company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):</b> Taking into consideration of the size of the Company, the profile of Shri. Susheel Kumar Gupta and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.
7.	<b>Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:</b> Besides the remuneration, he is holding 40,19,699 Equity Shares of the Company.

### ITEM NO: 6

#### A) APPOINTMENT OF SHRI. RAKESH MALHOTRA (DIN: 05242639) AS DIRECTOR OF THE COMPANY

Shri. Rakesh Malhotra was appointed as an Additional Director in executive category on 27.10.2020 in terms of Section 161 (1) of the Companies Act, 2013, an Additional Director shall hold office up to the date of the ensuing Annual General Meeting of the Company or the last date on which annual general meeting should have been held, whichever is earlier and be eligible for appointment to the office of a Director at General Meeting in terms of Section 160 of the Companies Act, 2013.

In order to ensure compliance with the provisions of Sections 152 of the Companies Act, 2013 read with Rules made there under it is proposed that approval of the shareholders be accorded for the appointment of Shri. Rakesh Malhotra as Director of the Company.

Accordingly the Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no. 6 of the notice for appointment of Shri. Rakesh Malhotra

Save and except of Shri. Rakesh Malhotra, Director being an appointee, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

#### B) APPOINTMENT OF SHRI. RAKESH MALHOTRA (DIN: 05242639) AS WHOLE-TIME DIRECTOR OF THE COMPANY

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 27.10.2020, approved the appointment of Shri. Rakesh Malhotra as Whole time Director of the Company for a term of three years commencing from 27.10.2020 to 26.10.2023 with a remuneration of Rs. 12,00,000 per annum.

Accordingly, the Board of Directors recommends the passing of the above Resolution as an Ordinary Resolution set out in the item no. 6 of the notice for appointment of Shri. Rakesh Malhotra.

Save and except, Shri. Rakesh Malhotra, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

**Information in accordance with Schedule V of Companies Act, 2013**

**I. GENERAL INFORMATION**

1	<b>Nature of Industry:</b> Textile Industry		
2	<b>Date or expected date of commencement of commercial:</b> The Company started its commercial operations on 02.02.1990		
3	<b>In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects:</b> Not Applicable		
4	<b>Financial performance based on given indications</b>		
	<b>Particulars</b>	<b>2018-19 (Rs. in lakhs)</b>	<b>2019-20 (Rs. in lakhs)</b>
	<b>Turnover</b>	9185.34	6581.12
	<b>Net profit after Tax</b>	301.48	(576.25)
5	<b>Foreign investments or collaborations, if any:</b> Not Applicable		

**II. INFORMATION ABOUT THE APPOINTEE:**

1.	<b>Background Details:</b> Shri. Rakesh Malhotra aged about years 66 years is having 15 years of experience in the Industry. He is a Masters in Business Administration.
2.	<b>Past Remuneration:</b> Rs. 1,60,000 per month
3.	<b>Recognition or awards:</b> ---
4.	<b>Job Profile and his suitability:</b> Keeping the past record of Shri. Rakesh Malhotra in mind and his contribution towards the Company, it is proposed for payment of remuneration to Shri. Rakesh Malhotra Rs. 12,00,000/- per annum.
5.	<b>Remuneration proposed:</b> As set out in the Resolutions for the item No.6 the remuneration to Shri. Rakesh Malhotra, Executive Director has the approval of the Nomination and Remuneration Committee and Board of Directors, is within the limits specified under Schedule V of Companies Act.
6.	<b>Comparative remuneration profile with respect to industry, size of the Company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):</b> Taking into consideration of the size of the Company, the profile of Shri. Rakesh Malhotra and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.
7.	<b>Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:</b> Besides the remuneration, he is not holding any Shares of the Company.

**ITEM NO: 7**

**RE-APPOINTMENT OF SHRI. VIKRAM PENMETS (DIN: 07577396) AS INDEPENDENT DIRECTOR OF THE COMPANY:**

Shri. Vikram Penmetsa (DIN: 07577396) was appointed as Independent Director of the Company for a period of 5 years from 28<sup>th</sup> July 2016 to 27<sup>th</sup> July, 2021 at the 26<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September 2016.

Shri. Vikram Penmetsa's term as an Independent Director of the Company was ended on 27.07.2021. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri. Vikram Penmetsa being eligible and offering himself for re-appointment as an Independent Director for 2 (two) consecutive years for a term up to 27<sup>th</sup> July 2023.

In the opinion of the Board, Shri. Vikram Penmetsa fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as an Independent Director of the Company. The Board considers that his continued association would be of immense benefit to the Company and performance evaluation- based on his contribution to the Board during his tenure, therefore it is desirable to continue to avail services of Shri. Vikram Penmetsa as an Independent Director.

Accordingly, the Board of Directors recommends the passing of the above Resolution as Special Resolution as set out in the item no. 7 of the notice for appointment of Shri. Vikram Penmetsa.

Save and except Shri. Vikram Penmetsa Independent Director, being an appointee, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

**ITEM NO: 8****RE-APPOINTMENT OF SMT. ALKA ZANWAR (DIN: 07577453) AS INDEPENDENT DIRECTOR OF THE COMPANY:**

Smt. Alka Zanwar (DIN: 07577453) was appointed as Independent Director of the Company for a period of 5 years from 28<sup>th</sup> July 2016 to 27<sup>th</sup> July, 2021 at the 26<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September 2016.

Smt. Alka Zanwar's term as an Independent Director of the Company was ended on 27.07.2021. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Smt. Alka Zanwar being eligible and offering herself for re-appointment as an Independent Director for two (2) consecutive years for a term up to 27<sup>th</sup> July 2023.

In the opinion of the Board, Smt. Alka Zanwar fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her re-appointment as an Independent Director of the Company. The Board considers that her continued association would be of immense benefit to the Company and performance evaluation- based on her contribution to the Board during her tenure, therefore it is desirable to continue to avail services of Smt. Alka Zanwar as an Independent Director.

Accordingly, the Board of Directors recommends the passing of the above Resolution as Special Resolution as set out in the item no. 8 of the notice for appointment of Smt. Alka Zanwar.

Save and except Smt. Alka Zanwar Independent Director, being an appointee, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

For and behalf of the Board  
**Vijay Textile Limited**

Date: 14.08.2021  
Place: Secunderabad

Sd/-  
**Vijay Kumar Gupta**  
Chairman & Managing Director  
(DIN: 01050958)

## BOARDS' REPORT

Dear Members,

Your Director's have pleasure in presenting the Directors' Report and the Audited Statement of Accounts of the Company for the Financial Year ended 31<sup>st</sup> March 2021.

### 1. FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS STATE OF AFFAIRS:

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

Particulars	(Rs. In Lakhs)	
	2020-2021	2019-2020
Total Revenue from operations	2533.18	6629.99
Total Expenses	6089.40	7093.54
Profit/(Loss) Before Tax	(3556.22)	(463.55)
Less: Taxation		
a) Current Tax	-	-
a. Deferred Tax	1160.26	112.71
Profit / (Loss) After Tax	(2395.96)	(576.26)
Other Comprehensive Income	7.66	1.70
Total profit/(Loss) for the period	(2388.30)	(574.56)
Earning per Equity Share- Basic & Diluted (in Rs.)	(13.46) & (13.46)	(3.76) & (2.91)

### REVIEW OF OPERATIONS:

During the Financial Year under review, revenue from operations and other income was reported at Rs. 2533.18 Lakhs and incurred loss of Rs. 2395.96 Lakhs as compared to revenue from operations and other income of Rs. 6629.99 Lakhs and net loss of Rs. 576.26 Lakhs in the previous Financial Year.

### BUSINESS UPDATE AND STATE OF COMPANY'S AFFAIRS:

The information on Company's affairs and related aspects is provided under Management Discussion and Analysis report, which has been prepared, inter-alia, in compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 and forms part of this Report.

### 2. PERFORMANCE AND FUTURE OUTLOOK

Your Company has reported loss during the year under review. With increased focus on its exclusive range of embroidered Furnishing Fabrics and Bed-Linen, your Company has been able to seize more market share in the contemporary segments and thus has optimised utilisation of the production capacities to its potential. Your Company has made foray in to new markets, identified new customers and thus have added to its repertoire of large number of dealers on pan India basis. These efforts have lent momentum to its synergies in increasing its top line and shall translate in to more emphatic results in the ensuing financial year.

Your Company has successfully procured orders from TSCO Handlooms (The Telangana State Handloom Weavers Cooperative Society) a state government undertaking for processing of fabrics on job work basis, since TSCO Handlooms have approved the manufacturing facility of the Company for meeting its stringent standards for processing of fabrics. As a result, your Company has received orders to the tune of about 34 Lakh meters of fabrics in the initial phase, samples for which were approved by TSCO Handlooms recently. Further your Company expects to receive substantial orders from TSCO Handlooms during the current financial year. In the prevalent circumstances due to outbreak of COVID

19 Pandemic, which has impacted the its business considerably, your Company plans to go for expanding the scope of undertaking job work at its textile processing facility in a big way that will help in augmenting its revenues to a great extent. Your Company has received enquiries from other quarters as well and is in the process of finalising new orders from these sources in due course.

### 3. IMPACT OF COVID-19 ON THE OPERATIONS OF THE COMPANY

Resurgence of second wave of COVID 19 Pandemic has further affected the business and Industry alike. Recovery from first wave itself is taking longer time for the businesses to revive and regain normalcy in operations. Government during this period had resorted to several restrictions and imposed lockdowns thus affecting overall operations of the businesses. As a matter of fact, the Company continues to reel under the impact of second wave which has further made serious and severe dent on its working leading to drastic reduction in its revenue from operations and the profitability.

The Company is continuously monitoring the situation and taking necessary actions in response to the developments to minimize the impact and to safeguard the assets and employees. The Company has considered relevant internal and external sources of information to evaluate the impact on the financial statements for the year ended 31st March 2021. The Company has assessed the recoverability of the assets including receivables, investments, property plant and equipment, intangible assets, Assets held for sale, and it is estimated that there is no effect on these assets. However, the actual impact may be different from that estimated as it will depend upon future developments and future actions to contain or treat the disease and mitigate its impact on the economy.

### 4. CHANGE IN THE NATURE OF THE BUSINESS, IF ANY:

During the period under review and the date of Board's Report there was no change in the nature of Business.

### 5. RESERVES

The Closing balance of reserves, including g retained earnings/loss (other equity) of the Company as at March 31<sup>st</sup> 2021 is Rs.6794.62 Lakhs.

### 6. DIVIDEND

Keeping the Company's expansion and growth plans in mind, your Director's have decided not to recommend dividend for the Financial Year.

### 7. UNPAID / UNCLAIMED DIVIDEND

In terms of the provisions of the Companies Act, the Company is obliged to transfer dividends which remain unpaid or unclaimed for a period of seven years from the declaration to the credit of the Investor education and Protection Fund established by the Central Government.

The details of Dividend of earlier years remain unclaimed by the shareholders as on 31.03.2021 are as given below:

Financial Year	Date of Declaration of Dividend	Last Date of Claiming Dividend	Unclaimed amount as on 31.03.2021 (in Rs.)	Due date for transfer to Investor Education and Protection Fund (IEPF)
2017-2018	28.09.2018	28.10.2018	1,49,212	03.11.2025

### DETAILS OF NODAL OFFICER

Smt. Neha Kankariya, Company Secretary and Compliance Officer of the company is designated as Nodal Officer.

### 8. MATERIAL CHANGES & COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no major material changes and commitments affecting the financial position of the Company after the end of the Financial Year and up to date of this report.

**9. BOARD MEETINGS:**

The Board of Directors duly met Six (6) times during the Financial Year from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021. The dates on which the Board Meetings were held are 31.07.2020, 27.08.2020, 14.09.2020, 27.10.2020, 12.11.2020 and 13.02.2021. All the meeting were conducted through Audio Visual means during the FY 2020-21.

**10. APPOINTMENT / RE-APPOINTMENT / RESIGNATION / RETIREMENT OF DIRECTORS /CEO/ CFO AND KEY MANAGERIAL PERSONNEL:**

- Shri. R. Malhotra, was appointed as Additional Executive Director of the Company w.e.f. 27.10.2020 for the period of three years.
- Shri. M. Srikanth Reddy, Independent Director of the Company has resigned w.e.f. 01.10.2020.
- Shri. Susheel Kumar Gupta retires by rotation and being eligible offers himself for re-appointment.
- Shri. Penmetsa Vikram and Smt. Alka Zanwar has completed one tenure as Independent Directors of the Company. They are being appointed as Independent Director for a Second Term of 2 (two) years.
- Shri. Susheel Kumar Gupta is being re-appointed as Whole-time Director of the Company.
- Shri. S. Nagarajan, Company Secretary and Compliance Officer of the Company has resigned w.e.f. 31.08.2020 and subsequently Smt. Haritha Varanasi has been appointed as Company Secretary and Compliance Officer of the Company w.e.f. 14.09.2020.
- Smt. Haritha Varanasi, Company Secretary and Compliance Officer of the Company has resigned w.e.f. 13.02.2021 and subsequently Smt. Neha Kankariya has been appointed as Company Secretary and Compliance Officer of the Company w.e.f. 13.02.2021.

As required under regulation 36 (3) of the SEBI (LODR), Regulations, 2015, brief particulars of the Directors seeking appointment/re-appointment are given as under:

<b>Name of the Director</b>	<b>Shri. Susheel Kumar Gupta</b>	<b>Shri. Rakesh Malhotra</b>
<b>Date of Birth</b>	28.01.1975	06.02.1955
<b>Qualification</b>	Degree in Commerce	M.B.A
<b>Expertise in specific functional areas</b>	Over 30 years' experience in Textiles Processing Industry	Banking, Credit Management, Finance, Operations, Taxation, Legal Matter and Administration.
<b>Names of Listed entities in which the person also holds the Directorship and the membership of Committees of the board</b>	-	-
<b>Shareholding of non-executive Directors.</b>	-	-
<b>No. of Shares held in the Company</b>	40,19,699 Equity Shares of the Company.	-
<b>Inter se relationship with any Director</b>	Son of Shri. Vijay Kumar Gupta Chairman and Managing director.	-

<b>Name of the Director</b>	<b>Shri. Penmetsa Vikram</b>	<b>Smt. Alka Zanwar</b>
<b>Date of Birth</b>	25.05.1973	22.07.1975
<b>Qualification</b>	Chartered Accountant	Chartered Accountant
<b>Expertise in specific functional areas</b>	Finance, Accounting, Taxation	Finance, Accounting, Taxation
<b>Names of Listed entities in which the person also holds the Directorship and the membership of Committees of the board</b>	-	-
<b>Shareholding of non-executive Directors.</b>	-	-
<b>No. of Shares held in the Company</b>	-	-
<b>Inter se relationship with any Director</b>	-	-

#### 11. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received declarations from Smt. Alka Zanwar, Shr. Pankaj Kumar Trivedi and Shri. Penmetsa Vikram, Independent Directors of the Company to the effect that they are meeting the criteria of independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

Further, the Company has also received declarations from the independent directors to the effect that they have complied with the Code of Conduct of Independent Directors as prescribed in Schedule IV of the Companies Act, 2013.

The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

#### 12. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

Independent Directors are familiarized about the Company's operations and businesses. Interaction with the Business heads and key executives of the Company is also facilitated. Detailed presentations on important policies of the Company is also made to the Directors. Direct meetings with the Chairman are further facilitated to familiarize the incumbent Director about the Company/its businesses and the group practices.

The details of familiarisation programme held in FY 2020-2021 are also disclosed on the Company's website at <https://www.vijaytextiles.in>

#### 13. PROFICIENCY OF DIRECTORS

All the Independent Directors of the Company are registered with the Independent Directors Database maintained by the Indian Institute of Corporate Affairs, Haryana and all the Independent Directors, have appeared and qualified the proficiency test.

#### 14. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION AND OTHER DETAILS:

The assessment and appointment of Members to the Board is based on a combination of criterion that includes ethics, personal and professional stature, domain expertise, gender diversity and specific qualification required for the position. The potential Board Member is also assessed on the basis of independence criteria defined in Section 149(6) of the Companies Act, 2013 and Regulation 15 of SEBI (LODR) Regulations, 2015.

In accordance with Section 178(3) of the Companies Act, 2013 and Regulation 19(4) of SEBI (LODR) Regulations, 2015, on the recommendations of the Nomination and Remuneration Committee, the Board adopted a remuneration policy

for Directors, Key Management Personnel (KMPs) and Senior Management. The Policy is attached as an Annexure to the Corporate Governance Report.

We affirm that the remuneration paid to the Directors is as per the terms laid down in the Nomination and Remuneration Policy of the Company.

#### **15. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:**

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

#### **16. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Section 134(3)(C) and 134(5) of the Companies Act, 2013 and on the basis of explanation given by the executives of the Company and subject to disclosures in the Annual Accounts of the Company from time to time, we state as under:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- That the Directors have 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;
- That the Directors have 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;
- That the Directors have prepared the annual accounts on a going concern basis;
- That the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **17. BOARD EVALUATION**

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of Independent Directors, Board of Directors and Committees of the Board.

The criteria for performance evaluation is based on the parameters like attendance and participation at the meetings of the Board and Committees thereof, contribution to strategic decision making, review of financial statements, business performance.

The evaluation of Board of Directors is performed by the Board after seeking all the inputs from the Directors and the Board Committees by seeking inputs from the Committee members.

The performance evaluation of the individual directors is done by the Nomination and Remuneration Committee.

The performance evaluation of non-independent directors, the Board as a whole and the Chairman is done by a separate meeting of Independent directors after taking inputs from the Executive directors.

#### **18. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JOINT VENTURES:**

During the Financial Year under review, the Company does not have any subsidiaries, joint ventures or associate Companies.



## 19. NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR:

During the year under review no Company has become or ceased to become its subsidiaries, joint ventures or associate Company.

## 20. ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an annual return is uploaded://www.vijaytextiles.in.

## 21. AUDITORS:

### a. Statutory Auditors

The members of the Company in accordance with Section 139 of the Companies Act, 2013 had passed a Resolution for appointment of M/s. Laxminiwas & Co., as Statutory Auditors of the Company for a period of 4 years in the AGM held on 26.09.2017 to hold office up to the conclusion of 31<sup>st</sup> Annual General Meeting of the Company to be held in the year 2021.

The Audit Committee and the Board of Directors have placed on record their appreciation for the professional services rendered by M/s. Laxminiwas & Co., Chartered Accountants during their association with the Company as its auditors.

On the recommendation of the audit committee, the Board of Directors at their meeting held on 14.08.2021 appointed and recommended to the Members the appointment of M/s.S.V.D. & Associates, Chartered Accounts, Hyderabad as the Company's new Statutory Auditors for the tem of 5 years i.e from the conclusion of this Annual General Meeting to conclusion of 36th Annual General Meeting to be held in the year 2026.

#### **Statutory Auditors Report**

*The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2021 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges and growth in the coming years.*

### b. **Secretarial Auditor**

Pursuant to the provisions of Section 134(3) (f) &Section 204 of the Companies Act, 2013, the Board has appointed M/s. S.S Reddy & Associates, Practicing Company Secretaries has undertaken Secretarial Audit of the Company for financial year ending 31.03.2021. The report of the Secretarial Auditor is enclosed herewith vide **Annexure-I** of this Report.

#### **Secretarial Audit Report**

The Board has duly reviewed the Secretarial Audit Report for the year ended March 31, 2021 on the Compliances according to the provisions of Section 204 of the Companies Act, 2013.

#### **Annual Secretarial Compliance Report**

*The Company has filed the Annual Secretarial Compliance Report for the year 2020-2021 with the BSE Ltd. The report was received from a Practicing Company Secretary and filed within the stipulated time as specified under Regulation 24A of the SEBI (LODR) Regulations.*

### c. **Cost Auditor**

As per Section 148 of the Companies Act, 2013 read with Rules framed there under M/s Nageswara Rao & Co (Registration No. 000332) Cost Accountants were appointed as Cost Auditors of the Company for the Financial Year 2020-21.

### d. **Internal auditors:**

Pursuant to the provisions of Section 138 of the Companies read with rules made there under, the Board has appointed M/s. Sankaran & Krishnan, Chartered Accountants as Internal Auditors of the Company for the Financial Year 2020-2021.

**22. INTERNAL AUDIT AND FINANCIAL CONTROLS**

The Company has adequate internal controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statutes, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. It has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.

During the period under review, there is no material or serious observations have been noticed for inefficiency or inadequacy of such controls.

**23. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:**

There have been no frauds reported by the auditor's u/s 143(12).

**24. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The Company has not given loans, Guarantees or made any investments during the year which attracts the provisions of Section 186 of the Companies Act, 2013.

**25. RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the Financial Year were on arm's length basis and were in the ordinary course of business. There were no material significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or the Senior Management which may have a potential conflict with the interest of the Company at large.

All related party transactions were placed before the Audit Committee/Board for approval. Prior approval of the Audit Committee was obtained for the transactions which are foreseen and are in repetitive in nature.

None of the Directors have any pecuniary relationship or transactions with the Company, except payments made to them in the form of remuneration, rent, sitting fees and interest on unsecured loans.

The Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith as **Annexure- II** to this report.

**26. CORPORATE SOCIAL RESPONSIBILITY (CSR, COMPOSITION OF CSR COMMITTEE AND CONTENTS OF CSR POLICY):**

The Corporate Social Responsibility Committee, formed under Section 135 of the Companies Act, 2013, comprises of 3 members with One Independent Director and two Executive Directors.

Composition

Name of the Director	Designation	Category
Shri. Vijay Kumar Gupta	Chairman	Managing Director
Shri. Susheel Kumar Gupta	Member	Whole-Time Director
Shri. C.A. Penmetsa Vikram	Member	Independent, Non-Executive

**Brief description of Terms of Reference:**

- To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules there under.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the implementation of the framework of the CSR policy.

- To observe corporate governance practices at all levels and to suggest remedial measures wherever necessary.
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or appropriate for performance of its duties. Details of CSR is given as **Annexure III**
- Further the Company as on the date of this report the company has not yet spent the CSR Amount. Therefore the Company is yet to transfer the unspent CSR amount of Rs. 3,84,192 pertaining to the Financial Year 2019-20 to "unspent CSR account" or to the fund as specified in Schedule VII of the Companies Act, 2013.

**27. DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars as prescribed under Section 134(3) (m) of the Companies Act, 1956, read with Companies (Accounts) Rules, 2014 are enclosed as **Annexure IV**.

**28. COMMITTEES:**

**(I). AUDIT COMMITTEE:**

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18(1) of SEBI (LODR) Regulations with the Stock Exchanges read with Section 177 of the Companies Act, 2013 are included in the Corporate Governance report, which forms part of this report.

**(II). NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19(1) of SEBI (LODR) Regulations with the Stock Exchanges read with Section 178 of the Companies Act, 2013 are included in the Corporate Governance report, which forms part of this report.

**(III). STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Stakeholders Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of SEBI (LODR) Regulations with the Stock Exchanges read with Section 178 of the Companies Act, 2013 are included in the Corporate Governance report, which forms part of this report.

**29. VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 read with Regulation 22 of SEBI (LO&DR) Regulations, 2015, a vigil Mechanism for Directors and employees to report genuine concerns has been established. It also provides for necessary safeguards for protection against victimization for whistle blowing in good faith. The same has been placed on the website of the Company.

Vigil Mechanism Policy has been established by the Company for directors and employees to report genuine concerns pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013. The same has been placed on the website of the Company.

**30. PUBLIC DEPOSITS:**

Your Company has not accepted any deposits falling within the meaning of Sec 73, 74 & 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014, during the Financial Year under review.

**31. SIGNIFICANT & MATERIAL ORDERS PASSED BY COURTS / REGULATORS / TRIBUNALS:**

There are no significant and material orders passed by the regulators /courts that would impact the going concern status of the Company and its future operations.

**32. INSURANCE:**

The properties and assets of your Company are adequately insured.

**33. CREDIT & GUARANTEE FACILITIES:**

The Company has availed Working Capital facilities and Term Loan from Banks. The Company has also given counter guarantee to bankers for obtaining Bank Guarantee.

**34. DISCLOSURE OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. The Company maintains appropriate system of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances, and are meant to ensure that all transactions are authorized, recorded and reported correctly.

During the period under review, there is no material or serious observations have been noticed for inefficiency or inadequacy of such controls.

Further, details of internal financial control and its adequacy are included in the Management Discussion and Analysis Report which forms part of this Report.

**35. SHARE CAPITAL**

The Authorised Share Capital of the Company stands at Rs. 73,30,00,000/- divided into 7,33,00,000 Equity Shares of Rs.10/- each.

The Paid-up Share Capital of the Company stands at Rs. 18,30,50,000 /- divided into 1,83,05,000 Equity Shares of Rs.10/- each.

There were 49,30,000 outstanding convertible warrants allotted to the Promoters and Non-Promoter allottees out of which 30,15,000 were converted into Equity Shares and 19,15,000 convertible warrants allotted to the allottees were forfeited due to non-exercising the option to convert the warrants into Equity Shares.

**36. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:**

The Company has implemented all of its major stipulations as applicable to the Company. As stipulated under Regulation 34 read with schedule V of SEBI (LODR) Regulations, 2015, a report on Corporate Governance duly audited is appended as **Annexure V** for information of the Members. A requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the Report on Corporate Governance.

**37. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:**

The Management Discussion and Analysis Report, pursuant to the SEBI (LODR) Regulation appended as **Annexure VI** for information of the Members.

**38. POLICIES:**

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All the policies are available on our website ([https:// www.vijaytextiles.com/investors/policies](https://www.vijaytextiles.com/investors/policies)). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

**39. ENVIRONMENTS 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.

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

**40. STATUTORY COMPLIANCE:**

The Company has complied with the required provisions relating to statutory compliance with regard to the affairs of the Company in all respects.

#### 41. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

Committee:

Name	Designation
N. Mrunalini	Presiding Officer
D. Sarada Sri Malini	Member
Dasaripalla Joji	External Member

All employees are covered under this policy. During the year 2020-2021, there were no complaints received by the Committee.

#### 42. STATEMENT SHOWING THE NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND THE NAME OF EVERY EMPLOYEE AS PER RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:

A table containing the particulars in accordance with the provisions of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annexure VII** to this Report.

A statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee is annexed to this Annual report as **Annexure VIII**

During the year NONE of the employees is drawing a remuneration of Rs.1,02,00,000/- and above per annum or Rs.8,50,000/- and above in aggregate per month, the limits specified under the Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### 43. RATIO OF REMUNERATION TO EACH DIRECTOR:

Under section 197(12) of the Companies Act, 2013, and Rule 5(1) (2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014 read with Schedule V of the Companies Act, 2013 the ratio of remuneration of Shri. Vijay Kumar Gupta, Managing Director of the Company to the median remuneration of the employees is 20.84:1, Shri. Susheel Kumar Gupta, Whole-Time director & CFO of the Company is 20.84:1 and of Shri Rakesh Malhotra Additional Director is 3.25:1.

#### 44. CODE OF CONDUCT COMPLIANCE:

All Members of the Board and Senior Management have affirmed compliance to the Code of Conduct for the Financial Year 2020-21. A declaration signed by the Managing Director affirming compliance with the Company's Code of Conduct by the Board of Directors and Senior Management for the Financial Year 2020-21 as required under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included in the Corporate Governance Report which forms part of this Report.

#### 45. SECRETARIAL STANDARDS

The Company is in compliance with the applicable secretarial standards.

#### 46. EVENT BASED DISCLOSURES

During the year under review, the Company has not taken up any of the following activities:

1. Issue of sweat equity share: NA
2. Issue of shares with differential rights: NA
3. Issue of shares under employee's stock option scheme: NA
4. Disclosure on purchase by Company or giving of loans by it for purchase of its shares: NA
5. Buy back shares: NA
6. Disclosure about revision: NA
7. Preferential Allotment of Shares: There were 49,30,000 outstanding convertible warrants allotted to the Promoters and Non-Promoter allottees out of which 30,15,000 were converted into Equity Shares on 08.06.2020 and 19,15,000 convertible warrants allotted to the allottees were forfeited due to non-exercising the option to convert the warrants into Equity Shares.
8. The Company's accounts with State Bank of India and Axis Bank Limited have been declared as NPA. The Company has immediately thereafter submitted a proposal to the banks for regularization as well as up gradation of its accounts to standard asset. In line with the said action plan Company has received email communication dated 29th June 2021 from State Bank of India confirming that the company's proposal has been taken up for approval with the competent authority.

Thereafter the Company has received NOC dated 09th August 2021 & 12th August 2021 from State bank of India & Axis Bank Limited respectively for release of documents of property for sale and for taking further steps in this regard as proposed.

**47. CEO/ CFO CERTIFICATION:**

The Managing Director cum CEO and CFO certification of the financial statements for the year 2020-2021 is annexed in this Annual Report.

**48. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016.**

No corporate insolvency resolution processes were initiated against the Company under the Insolvency and Bankruptcy Code, 2016, during the year under review.

**49. FAILURE TO IMPLEMENT CORPORATE ACTIONS:**

During the year under review, no corporate actions were done by the Company.

**50. ACKNOWLEDGEMENTS:**

Your Director's wish to place on record their appreciation of the contribution made by the employees at all levels, to the continued growth and prosperity of your Company. Your Directors also wish to place on record their appreciation of business constituents, banks and other financial institutions and shareholders of the Company for their continued support for the growth of the Company.

For and on behalf of the Board  
**Vijay Textiles Limited**

Sd/-  
**Vijay Kumar Gupta**  
Chairman & Managing Director  
DIN: 01050958

Place: Secunderabad  
Date: 14.08.2021

**FORM MR-3  
SECRETARIAL AUDIT REPORT**

(Pursuant to Section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

To,  
The Members  
**Vijay Textiles Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vijay Textiles Limited (hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1<sup>st</sup> April, 2020 and ended 31<sup>st</sup> March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made herein after:

1. We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> of March, 2021 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made there under;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment and External Commercial Borrowings;
2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') is furnished hereunder for the Financial Year 2020-21:-
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **During the year under review, there was no instance to be reported by the Company under SEBI Takeover Code.**
  - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018 Insider Trading Regulations; **The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e. [www.vijaytextiles.in](http://www.vijaytextiles.in)**
  - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Out of the balance 49,30,000 Warrants the Company has converted 30,15,000 Warrants and allotted 30,15,000 Equity Shares and the balance 19,50,000 warrants against which 25% of the application money paid (i.e. Rs.20) were forfeited on 08.06.2020.**
  - iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable as the Company has not issued any Employee Stock Options during the year under review.**
  - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Amendment) Regulations, 2019; **Not Applicable as the Company has not issued any debt securities during the year under review.**
  - vi. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; **Not Applicable as the Company is not registered as**

**Registrar to an Issue and Share Transfer Agent during the year under review. However, the company has Aarthi Consultants Private Limited as its Share Transfer Agent.**

- vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and (Amendment) Regulations, 2018: **Not Applicable as the company has not delisted/ proposed to delist its Equity Shares during the year under review.**
- viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**
- ix. Other applicable laws include the following:
- a) Factories Act, 1948
  - b) Payment Of Wages Act, 1936, and rules made there under,
  - c) The Minimum Wages Act, 1948, and rules made there under,
  - d) Employees' State Insurance Act, 1948, and rules made there under,
  - e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,
  - f) The Payment of Bonus Act, 1965, and rules made there under,
  - g) Payment of Gratuity Act, 1972, and rules made there under,
  - h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
  - i) Industrial Disputes Act, 1947
  - j) The Air (Prevention and Control of Pollution) Act, 1981
  - k) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
  - l) Textiles Committee Act, 1963
  - m) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
- We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above including the following:

- a) During the year the Company has conducted 6 meetings of the Board of Directors, 5 meetings of the Audit committee, 2 meeting of Nomination and Remuneration Committee, 1 Meetings of Stakeholder Relationship Committee and 1 meeting of Independent Directors. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company secretaries of India.
  - b) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that
- (i) the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
- External Commercial Borrowings were not attracted to the Company under the financial year under report;
  - Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
  - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.



- (ii) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

We further report that:

- The Company has a CFO, Shri. Susheel Kumar Gupta and a Company Secretary, Smt. Neha Kankariya.
- The Company has Internal Auditors namely M/s. Sankaran & Krishnan, Chartered Accountants, Hyderabad.
- The website of the Company contains policies as specified by SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the provisions of Companies Act, 2013.
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors during the period under review.
- Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- We, further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.
- The compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by the Statutory financial audit and other designated professionals.
- Company's accounts with State Bank of India and Axis Bank Limited have been declared as NPA. The Company has immediately thereafter submitted a proposal to the banks for regularization as well as up gradation of its accounts to standard asset.
- In terms of Sec 135 of the Companies Act, 2013, the Company is required either to spend or to transfer the unspent CSR amount of Rs. 3,84,192 pertaining to the Financial Year 2019-20 to "unspent CSR account" or to the fund as specified in Schedule VII of the Companies Act, 2013

**For S.S. Reddy & Associates**

Place: Hyderabad  
Date: 14.08.2021  
UDIN: A012611C000787605

**S. Sarveswar Reddy**  
Proprietor  
M. No. A12611, C.P.No: 7478

**Annexure A**

To  
The Members of  
**Vijay Textiles Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For S.S. Reddy & Associates**

Place: Hyderabad  
Date: 14.08.2021  
UDIN: A012611C000787605

**S. Sarveswar Reddy**  
Proprietor  
M. No. A12611, C.P No: 7478

**Form AOC-2**
**Particulars of contracts/arrangements made with related parties**
**[Pursuant to Clause (h) Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014- AOC-2]**

This form pertains to the disclosure of particulars of contracts/arrangements entered into between the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including arm's length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis : Not Applicable**

- |    |   |   |                |
|----|---|---|----------------|
| a) | Name(s) of the related party and nature of relationship   | : | Not Applicable |
| b) | Nature of contracts/arrangements/transactions   | : | None           |
| c) | Duration of the contracts/arrangements/transactions   | : | Not Applicable |
| d) | Salient terms of the contracts or arrangements or Transactions including the value, if any                        | : | Not Applicable |
| e) | Justification for entering into such contracts or Arrangements or transactions                                    | : | Not Applicable |
| f) | Date(s) of approval of the Board  | : | Not Applicable |
| g) | Amounts paid as advances, if any  | : | None           |
| h) | Date on which the special resolution was passed in General meeting as required under first proviso to Section 188 | : | Not Applicable |

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions:	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any: Approved by Audit Committee and Board Meeting in last Financial Year:
I.	<b>Rent</b>				
	Shri Vijay Kumar Gupta, Managing Director	Office Premises on Rent 2187.50 Sq.ft	5 Years 01/04/2019 to 31/03/2024	Monthly Rent of Rs.53,580/-	26/03/2019
	Shri Vijay Kumar Gupta, (HUF) Managing Director	Office Premises on Rent 1562.50 Sqft	5 Years 01/04/2019 to 31/03/2024	Monthly Rent of Rs.66,955/-	26/03/2019
	Shri Susheel Kumar Gupta, Executive Director	Office Premises on Rent 1046.25 Sq.ft	5 Years 01/04/2019 to 31/03/2024	Monthly Rent of Rs.85,005/-	26/03/2019
	Shri Shashikala Gupta W/o Shri Vijay Kumar Gupta	Office Premises on Rent 1250.00 Sq.ft	5 Years 01/04/2019 to 31/03/2024	Monthly Rent of Rs.53,580/-	26/03/2019

3. Details of contracts or arrangements or transactions not in the ordinary course of business

<b>S. No</b>	<b>Particulars</b>	<b>Details</b>
a)	Name(s) of the related party & nature of relationship	None
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements/transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	None
e)	Justification of entering into such contracts or arrangements or transactions	None
f)	Date of approval by the Board	Not Applicable
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General Meeting as required under first proviso to Section 188	Not Applicable

All related party transactions that were entered during the financial year were on arms-length basis and are according to the policy of related party transactions adopted by the Company.

For and on behalf of the Board of  
**Vijay Textiles Limited**

Sd/-  
**Vijay Kumar Gupta**  
Chairman & Managing Director  
(DIN:01050958)

Sd/-  
**Susheel Kumar Gupta**  
Whole-time Director  
(DIN: 00362714)

Place: Secunderabad  
Date: 14.08.2021

## REPORT ON CSR ACTIVITIES

[Pursuant to section 135 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

**1. A brief Outline of Company's CSR Policy, including overview of projects or programmes undertaken/proposed to be undertaken:**

The CSR Policy adopted by the Board consists of activities as specified in Schedule VII of Companies Act, 2013.

**2. Composition of CSR Committee:**

The details of the composition of the committee are given below:

Sl. No.	Name of Director	Designation / Nature of Directorship
1.	Vijay Kumar Gupta	Chairman, Managing Director
2.	Susheel Kumar Gupta	Member, Whole-time Director
3.	Vikram Penmetsa	Member, Independent Director

**3. web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://www.vijaytextiles.in/>**

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable since the Company's average CSR obligation is less than Rupees Ten Crores in the three immediately preceding financial years.**

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
Nil			

**6. Average net profits of the company for last three financial years as per section 135(5)**

The average net profit of the Company for the last three financial years as per Section 135 of the Companies Act, 2013 was Rs. 1,92,09,595.

**7.**

Sl. No.	Particulars	Amount (INR in Rs)
(a)	Two percent of average net profit of the company as per section 135(5)	3,84,192
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	--
(c)	Amount required to be set off for the financial year, if any	--
(d)	Total CSR obligation for the financial year (7a+7b-7c).	3,84,192

8 (a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
-	-	-	-	-	-

(b) **Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/ No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
Not Applicable									
	<b>Total</b>								

- (d) Amount spent in Administrative Overheads Nil
- (e) Amount spent on Impact Assessment, if applicable Nil
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) Nil
- (g) Excess amount for set off, if any Nil

# ANNEXURE TO DIRECTORS' REPORT



# TEXTILES LIMITED

Sl. No.	Particular	Amount (in Rs. Millions)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9 (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
I.	NA	0	0	0	0	0	0
	Total	0	0	0	0	0	0

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) Sl. No.	(2) Project ID.	(3) Name of the Project.	(4) Financial Year in which the project was commenced.	(5) Project duration.	(6) Total amount allocated for the project (in Rs.).	(7) Amount spent on the project in the reporting Financial Year (in Rs).	(8) Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	(9) Status of the project - Completed / Ongoing.
I	Not Applicable							
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

### (ASSET-WISE DETAILS)

S. No.	Particulars	Details
(a)	Date of creation or acquisition of the capital asset(s).	NA
(b)	Amount of CSR spent for creation or acquisition of capital asset.	NA
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	NA
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Notwithstanding its commitment to spend the CSR amount earmarked for an ongoing project during the year in review, the Company's objective remained unfulfilled due to outbreak of COVID-19 pandemic and its severe impact on the business operations as a result. The Company has therefore, undertaken to discharge its CS responsibility by spending the amount in the current year on the project so identified.

Sd/-

**Vijaya Kumar Gupta**

(Chairman and Managing Director).

Sd/-

**Susheel Kumar Gupta**

(Member of CSR Committee).

Date : 14.08.2021

Place : Secunderabad

**ANNEXURE TO DIRECTORS' REPORT FORM A**

[Forming part of Annexure (I)]

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

<b>I Energy Conservation:</b>	31.03.2020	31.03.2021
<b>A</b> 1. Power & Fuel Consumption		
Electricity:		
a) Purchased:		
Units	20,49,997	20,95,744
Total amount (Rs)	1,72,59,162	1,68,89,351
Cost/Unit (Rs)	8.42	8.06
b) Own Generation:		
Through Diesel Generator		
Units	Nil	Nil
Units per ltr. of Diesel oil	Nil	Nil
Cost/Unit (Rs)	Nil	Nil
2. Coal used in Boiler:		
Quantity (Tonnes)	Nil	Nil
Cost (Rs)	Nil	Nil
Average Rate (Rs)	Nil	Nil
3. Furnace Oil (HSD):		
Quantity (K. Litre)	Nil	Nil
Total Amount (Rs)	Nil	Nil
Average Unit/Litres	Nil	Nil
4. Others/Internal generation:		
Quantity (Tonnes)	7,640	6,846
Total Cost (Rs)	2,93,42,749	2,64,91,333
Average Rate (Rs)	3,841	3,870
<b>B</b> Consumption per unit of production (Linear meter)		
Electricity	1.19	5.95
Furnace Oil	Nil	Nil
Coal (Kgs.)	Nil	Nil
Others (Kgs.)	4.44	19.39
2. Technology Absorption:	The Company has its In – house Design and Development Department continuously develop innovative designs and select the most suitable raw fabrics for dyeing / printing / processing.	
3. Foreign Exchange earnings and outgo		
Earnings (Rs)	15,54,455	18,24,909
Outgo (Rs)	Nil	Nil

For and on behalf of the Board of  
**Vijay Textiles Limited**

Sd/-

**Vijay Kumar Gupta**

Chairman & Managing Director  
(DIN:01050958)

Sd/-

**Susheel Kumar Gupta**

Whole-time Director  
(DIN: 00362714)

Date: 14.08.2021

Place: Secunderabad



**ANNEXURE-V****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****INDUSTRY STRUCTURE, DEVELOPMENTS AND PERFORMANCE:**

During the last few years, the furnishing industry has made rapid strides, undergone transformation and grown in size and stature, largely influenced by changing consumer tastes and mass appeal. Impact of growth of housing and infrastructure sectors has played a stellar role in shaping this industry as an organized one. These sectors indeed play catalyst role in providing impetus to growth of this industry. Needless to say, in global scenario this industry has shown significant growth. Overall economic changes coupled with increase in general spending power has propelled the consumers to splurge more money on furnishing and in decorating their homes and offices. Current trends do support further growth potential of this segment and the Company is making concerted efforts to capitalize on the same.

The Company, taking a cue from all round growth witnessed by the furnishing industry, has successfully cemented its place as a large player in the domestic arena. The Company's core strength has been its well-established pan India dealer network for wholesale, 5 world class large format retail stores strategically located in the twin cities of Hyderabad and Secunderabad and fine blend of infrastructure to navigate new markets for business development. The major clientele consists of NRIs, reputed institutes, corporate customers, and people from all the strata of the society.

To add to its strength, the Company lays highest emphasis on bringing out latest designs of different hues and colors coupled with splendid range to choose from. the Company has engaged itself in continuous innovation of products and strives to cater to all the segments that matter, mainly on the strength of its world class quality products with wider range and price choices.

The Company has a state of the art and most modern Embroidery Unit within its factory premises initially set up in the year 2009, which has 40 fully automatic embroidery machines imported from Japan. In-house embroidery unit extends an edge to the Company in adding value to its increasingly popular products thus inducing increased demand for embroidered fabric. Embroidered furnishing fabric and bed linen have together enabled the Company to increase its stronghold and thus seize a sizeable market share too. Not the least, high class and state of the art embroidery on fabrics is a strong value addition to the products that the Company manufactures.

The Company believes in policy of continuing innovation and improvisation in quality of its products, which are indeed its hallmarks; that has enabled the Company to extend its market reach and capture a sizeable market share.

**OPPORTUNITIES AND THREATS:**

The furnishing fabric market is considered as ever growing one, yet it has witnessed a radical change in consumer tastes and liking due to changing lifestyles in line with changing times. The economic changes and liberalization have played a big role in elevating the living standards and is also instrumental, to a large extent, in adding up to general spending power. The boom witnessed in the housing sector has indeed added spice to peoples' tastes and their zest for sophistication. The Company operates in a highly competitive environment, where 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 under one umbrella are in fact the key factors and hallmarks that other competitors find it difficult to dislodge it from its leadership position. Constant innovation has helped the Company too in retaining the edge in the contemporary markets to sustain growth.

The furnishing industry has by and large been able to withstand the market slow down at times and fluctuation in prices of essential raw materials to a considerable extent. The Company has kept pace with the advancements around and forged its synergies in innovating techniques and competes well in design and development of its range of products to beat the competition, persistent with constant improvisation, astute pricing policy and highest quality standards.

Pertinently, with the outbreak of COVID 19 Pandemic in March 2020 there has been a sea change in performance of the company. Imposition of lockdowns for prolonged durations had made a telling impact on the working as factory premises and showrooms had to be closed for operations during the period, resulting in considerable revenue loss and severely impacting

the business overall. Resurgence of second wave during March 2021 has only compounded the miseries of the business and industry alike and the company has not been any exception to this turmoil. It is any body's guess as to how long this situation will prevail and markets are yet to respond to recovery process and return to normal operations remain a far cry for the present.

**SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:**

Segments are identified having regard to the dominant source and nature of risks and returns and internal organization and management structure. The Company has considered business segments as the primary segments for disclosure.

The Company does not have any geographical segment.

**OUTLOOK:**

The industry is witnessing all-round growth in the global scenario, which is coupled with rise in demand in the housing and infrastructure. Changing lifestyles and people's acumen to spend more on this luxury and necessity alike are the key factors in its growth pattern too. These factors will help the Company to achieve its projected growth outlined for the future. General and persistent economic slowdown due to various external factors affecting the markets, is in fact a disheartening factor, as it has not allowed the contemporary markets to swing back into revival mode, yet the Company through its aggressive marketing strategy is trying to overcome it in a good measure. This augurs well for your Company in changing its outlook to positive for the current financial year. With increased focus on enhancing its product portfolio and introduction of new range of embroidered fabrics, your Company is well poised to grow at the expected pace and show consistent results.

The Company plans to continue its thrust in retail segment aimed at further ensuring a horizontal growth and to extend its reach to the untapped segments that will help in achieving its long-term goals besides ultimately allowing the Company to the stage of consolidation.

The events of the last ten days of the fiscal year have brought to light the shape of difficult things to come. The Company has responded well to the initial challenges that have come in the way so far and engaged well in defining its strategies to counter the effects that may be in offing further. The lockdowns tested the agility, resilience and adaptability of our operational model. The Company has responded to the challenge with agility and have emerged stronger. Though resurgence of second wave has a compounding effect, still the company was able to withstand the pressure and continued its recovery trail.

When we emerge out of this crisis, the world will be a very different place. We are witnessing many of those changes already. The experience gained during this unprecedented and unforeseen circumstances due to outbreak of pandemic, people are discovering new synergies at work and culture that existed in the pre-COVID era.

**RISKS AND CONCERNS:**

The Company remains apprehensive of the market environment and the conditions of general economic slowdown and downturn, which is not allowing the contemporary markets to go into revival mode. Market buoyancy and fluctuating prices of raw materials are key concerns, which are to be addressed appropriately to ensure projected growth. The Company is hopeful that by constantly bringing in new products through innovation and employing new marketing strategies will greatly help it in mitigating the adverse impacts apprehended thus. Industry by and large continues to witness a general economic slowdown which is in fact a decisive factor impairing growth.

Recent events have highlighted the importance of building organizational resilience, agility and adaptability. At the heart of any organization's resilience is its people, supported by enabling processes and technologies. The Company too has outlined its strategies well to bring out the best out of its work force in the trying circumstances and looks ahead for better results.

The Company's track record of navigating multiple economic cycles and technology changes over the past three decades can be traced to its culture of empowerment and its purpose-driven view.

**INTERNAL CONTROL SYSTEMS AND THEIR 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

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

The Company achieved a gross turnover of Rs.2533.18 Lakhs during the year and net loss of Rs.2388.30 lakhs during the year under review. Notwithstanding adverse trends prevalent and stressful environment that continues to persist, the company's results, though bely expectations, are rated as satisfactory.

The Company looks ahead with hopes to continue its good run and sustained growth in the current financial year and years to follow. The Company is pushing up its marketing synergies to gain access to newer markets with its product innovation strategies, improvement in overall operations and introduction of new range of products in line with prevalent trends that will help it to sail well in the ensuing financial year.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / 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 manpower requirements and effective steps are being taken to meet the requirements. The total number of people directly and indirectly employed by the Company is 312.

**DETAILS OF SIGNIFICANT CHANGES (I.E CHANGES OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) ON KEY FINANCIAL RATIOS ALONG WITH DETAILED EXPLANATIONS THERE FOR.**

There are no significant changes of 25% or more during the year under review when compared to previous financial year.

The key financial ratios are as under:

<b>RATIOS:</b>		
<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
Debtor's turnover ratio	6.11:1	2.43:1
Inventory turnover ratio	4.52:1	1.94:1
Interest coverage ratio	(0.44:1)	0.74:1
Current ratio	1.90:1	2.30:1
Debt equity ratio	13.35:1	13.25:1
Operating profit margin (%)	(141.06)	(7.04%)
Net profit margin (%)	(94.73)	(8.73%)
Return on Net worth	(130.47)	(37.58%)

**DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF.**

During the year under review, the Return on Net Worth is only (130.47%) when compared to the previous year of (31.58%). The reason for the drastic downfall is due to lower turnover on account of general downfall in the industry and also due to increase in Share Capital.

**DISCLOSURE OF ACCOUNTING TREATMENT:**

The Company has not carried out any treatment different from that prescribed in Accounting Standards.

**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. We do not expect these statements 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. 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. We do not expect these statements 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.

For and on behalf of the Board of  
**Vijay Textiles Limited**

Date: 14.08.2021  
Place: Secunderabad

Sd/-  
**Vijay Kumar Gupta**  
Chairman & Managing Director  
(DIN:01050958)

Sd/-  
**Susheel Kumar Gupta**  
Whole-time Director  
(DIN: 00362714)

## **CORPORATE GOVERNANCE REPORT**

In accordance with Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report containing the details of Corporate Governance systems and processes at Vijay textiles Limited as follows:

Vijay Textiles Limited is committed to best practices in the area of Corporate Governance. Good governance facilitates effective management and control of business, maintaining a high level of business ethics and optimizing the value for all stakeholders.

The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees, etc.

### **COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

The Company's philosophy on Corporate Governance is backed by Principles of Concern, Commitment, Ethics, Excellence and Learning in all its acts and relationships with Stakeholders, Clients, Associates and Community at large. This philosophy revolves around fair and transparent governance and disclosure practices in line with the principles of Good Corporate Governance. The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees, etc. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

### **DATE OF REPORT**

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on 31<sup>st</sup> March, 2021. The Report is updated as on the date of the report wherever applicable.

### **BOARD DIVERSITY:**

The Company recognizes and embraces the importance of a diverse Board in its success. We believe that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website.

## **I. BOARD OF DIRECTORS**

### **A. COMPOSITION OF THE BOARD**

The Company is managed and controlled through a professional body of Board of Directors which comprises of an optimum combination of Executive and Independent Directors headed by the Chairman & Managing Director. As on date of this report, the Board of Directors of the Company has 6 members (including three Independent Non-Executive Directors) with vast experience and knowledge. None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 companies across all the Companies in which he/she is a Director.

The Board has been enriched with the advices and skills of the Independent Directors. The composition of the Board of Directors and details of number of Directorships/committee chairmanships/memberships attendance particulars is as under:

# ANNEXURE TO DIRECTORS' REPORT



# TEXTILES LIMITED

Corporate Governance Report (Contd.)

Name	Category	Attendance at the AGM held on 29 <sup>th</sup> September 2020	Attendance in Board Meetings		No. of Directorships in other companies		No. of committee positions held in other public companies	
			Held	Present	Chairman	Director	Chairman	Member
Shri. Vijay Kumar Gupta	Managing Director & Chairman	Yes	6	6	-	1	-	-
Shri. Susheel Kumar Gupta	Whole-time Director & CFO	Yes	6	6	-	1	-	-
**Shri. Rakesh Malhotra	Executive Director	NA	3	3	-	-	-	-
*Shri. Srikanth Reddy Muppidi	NED, Independent Director	Yes	3	3	-	8	-	-
Shri. CA Vikram Penmetsa	NED, Independent Director	Yes	6	6	-	-	-	-
Smt. CA Alka Zanwar	NED, Independent Director	Yes	6	6	-	-	-	-
Shri. CA Pankaj Kumar Trivedi	NED, Independent Director	Yes	6	6	-	-	-	-

\* resigned w.e.f. 01.10.2020

\*\* appointed w.e.f. 27.10.2020

## B. A CHART OR A MATRIX SETTING OUT THE SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS:

Sl. No	Skills / Expertise / Competence of the Board of Directors are required in the context of business of the Company	Names of the Directors who have such skills / expertise / competence
1	Manufacturing and Marketing	Vijaykumar Gupta, Susheel Kumar Gupta, Rakesh Malhotra
2	Commercial	Vijaykumar Gupta, Susheel Kumar Gupta, Rakesh Malhotra
3	Regulatory	Vijaykumar Gupta, Susheel Kumar Gupta, Rakesh Malhotra, Vikram Penmetsa, Alka Zanwar, Pankaj Kumar Trivedi
4	Finance & Accounting	Vijaykumar Gupta, Susheel Kumar Gupta, Rakesh Malhotra, Vikram Penmetsa, Alka Zanwar, Pankaj Kumar Trivedi
5	Research & Development	Vijaykumar Gupta, Susheel Kumar Gupta, Rakesh Malhotra
6	Legal and General Management	Vijaykumar Gupta, Susheel Kumar Gupta, Rakesh Malhotra, Vikram Penmetsa, Alka Zanwar, Pankaj Kumar Trivedi

## C. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

Shri. Vijay Kumar Gupta, Promoter Director and Shri. Susheel Kumar Gupta, Promoter Director of the Company are related to each other by virtue of their relationship as father and son respectively. Other Directors do not have any inter se relation with each other.

## D. NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON- EXECUTIVE DIRECTORS:

None of the Non-executive Directors hold equity shares or convertible instruments of the Company.

Shri. Srikanth Reddy Muppidi, Non-Executive Director of the Company (resigned w.e.f. 01.10.2020) was holding 5,00,000 Convertible warrants in his name.

However, on 08.06.2020 the 5,00,000 Convertible Warrants held by Shri. Srikanth Reddy Muppidi were forfeited as he has not expressed his willingness to exercise the option of Conversion of Warrants into Equity Shares.

**E. INDEPENDENT DIRECTORS**

The Company has complied with the definition of Independence as per Regulation 16(1) (b) of the SEBI (LODR), Regulations, 2015 and according to the Provisions of Section 149(6) of the Companies Act, 2013. The Company has also obtained declarations from all the Independent Directors pursuant to Section 149(7) of the Companies Act, 2013.

It is also confirmed that in the opinion of the Board, the Independent Directors fulfil the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

During the year under review, Shri. Srikanth Reddy Muppidi, Independent Director of the Company have resigned before the expiry of his tenure from the Board of Directors of the Company due to his personal pre-occupations w.e.f. 01.10.2020. Further, Shri. Srikanth Reddy Muppidi conformed that there was no other material reason other than those provided in resignation letter.

**F. INDEPENDENT DIRECTORS' MEETING:**

As per Clause 7 of the Schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent Directors) was held on 13.02.2021, and discussed the following:

1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as whole;
2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
3. Reviewed the performance of the Chairperson of the Company.

All the Independent Directors of the Company eligible to attend were present at the meeting.

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

**G. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:**

Independent Directors are familiarized about the Company's operations and businesses. Interaction with the Business heads and key executives of the Company is also facilitated. Detailed presentations on important policies of the Company is also made to the directors. Direct meetings with the Chairman is further facilitated to familiarize the incumbent Director about the Company/its businesses and the group practices.

The details of familiarisation programme held in FY 2020-21 are also disclosed on the Company's website at <https://www.vijaytextiles.in>

**H. INFORMATION SUPPLIED TO THE BOARD:**

The Board has complete access to all information of the Company and is regularly provided advanced detailed information as a part of the agenda papers or is tabled therein. In addition, detailed quarterly performance report by the CFO is presented in the quarterly Board meeting, encompassing all facets of the Company's operations during the quarter, including update of key projects, outlook and matters relating to environment, health & safety, corporate social responsibility etc. The following information is provided to the Board as a part of the agenda papers:

- Annual and Quarterly financial statements for the Company and the Accounting Policy
- Minutes of the meetings of the Audit Committee and other Committees of the Board

- Annual business plan
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary, whenever required
- Expansion projects and its status monitoring
- Fatal or serious accidents, injuries or any material environmental problems, if any
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any
- Significant labour problems and their proposed solutions, whenever necessary
- Any significant development in human resources / industrial relations including long-term wage agreement, major voluntary retirement scheme, etc.
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material
- Quarterly disclosure of all the investments made
- Material non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer and others, if any
- Quarterly review of compliance status under various laws applicable to the Company
- Substantial non-payment of goods sold by the Company except disputes
- Related Party Transactions, if they are not at arm's length and in the ordinary course of business
- Half-yearly summary of bank guarantees issued.
- All other matters required to be placed before the Board for its review / information / approval under the statutes, including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**I. DECLARATION BY BOARD**

The Board has confirmed that in its opinion, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

**J. COMMITTEES OF THE BOARD:**

The Company has four Board-level Committees - Audit Committee, Stakeholder Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided in this report below.

**I. AUDIT COMMITTEE: (Audit Committee constituted in terms of Section 177 of Companies Act, 2013 read with Regulation 18 of SEBI (LODR) Regulations, 2015)****A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:**

The terms of reference of the Audit Committee encompasses the requirements of Section 177 of Companies Act, 2013 and as per Regulation 18 of SEBI (LODR) Regulations, 2015 and, interalia, includes

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;



- iii. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rs. 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- iv. Review with the management and statutory auditors of the annual financial statements before submission to the Board with particular reference to:
  - (a) Matters required to be included in the directors' responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions;
  - (g) Modified opinion(s) in the draft audit report;
- v. Review of the quarterly and half yearly financial results with the management before submission to the board for approval;
- vi. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- vii. Review and monitor statutory auditor's independence and performance and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Review of valuation of undertakings or assets of the company wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- xiv. discussion with internal auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
- xviii. Review the functioning of the whistle blower mechanism;
- xix. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate

- xx. Review of the following information:
- Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses;
  - The appointment, removal and terms of remuneration of the Chief Internal Auditor;
  - Statement of deviations:
    - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
    - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus in terms of Regulation 32(7) of the Listing Regulations.
- xxi. Carrying out any other function as may be referred to the Committee by the Board.
- xxii. Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.

## B. COMPOSITION, MEETINGS & ATTENDANCE

There were four (4) Audit Committee Meetings held during the year on 31.07.2020, 14.09.2020, 12.11.2020 and 13.02.2021

Name	Designation	Category	Number of meetings during the year 2020-2021	
			Held	Attended
CA Vikram Penmetsa	Chairman	Independent, Non-Executive	4	4
*M. Srikanth Reddy	Member	Independent, Non-Executive	2	2
CA Alka Zanwar	Member	Independent, Non-Executive	4	4
CA Pankaj Kumar Trivedi	Member	Independent, Non-Executive	4	4

\*Resigned w.e.f. 01.10.2020.

- C. Previous Annual General Meeting of the Company was held on 29<sup>th</sup> September 2020 and Shri. Vikram Penmetsa, Chairman of the Audit Committee for that period, attended previous AGM.

## 2. NOMINATION AND REMUNERATION COMMITTEE (Nomination and Remuneration Committee constituted in terms of Section 178 of Companies Act, 2013 read with Regulation 19 of SEBI (LODR) Regulations, 2015)

The terms of reference of the Nomination and Remuneration committee constituted in terms of Section 178 of Companies Act, 2013 and as per Regulation 19 of SEBI (LODR) Regulations, 2015 are as under:

### A. BRIEF DESCRIPTION OF TERMS OF REFERENCE

- To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:
  - To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
  - To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

## B. COMPOSITION OF THE NOMINATION AND REMUNERATION COMMITTEE, MEETINGS & ATTENDANCE

There were two Nomination and Remuneration Committee Meetings held during the financial year on 27.10.2020 and 13.02.2021

Name	Designation	Category	Number of meetings during the year 2020-21	
			Held	Attended
CA Vikram Penmetsa	Chairman	Independent, Non-Executive	2	2
CA Alka Zanwar	Member	Independent, Non-Executive	2	2
CA Pankaj Kumar Trivedi	Member	Independent, Non-Executive	2	2

## C. REMUNERATION POLICY:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered and individual performance.

## POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE:

### 1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

### 2. Terms and References:

- 2.1 **"Director"** means a Director appointed to the Board of a Company.
- 2.2 **"Nomination and Remuneration Committee"** means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2.3 **"Independent Director"** means a Director referred to in sub-Section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**3. Policy:****Qualifications and criteria**

3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

3.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:

- General understanding of the Company's business dynamics, global business and social perspective;
- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3.1.3 The proposed appointee shall also fulfill the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the companies Act, 2013;
- shall Endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the Company for Directors and senior Management personnel;
- shall disclose his concern or interest in any Company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as any prescribed, from time to time, under the companies Act, 2013, Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws.

3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

**3.2 Criteria of Independence**

3.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2.2 The criteria of independence shall be in accordance with the guidelines as laid down in Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

An independent Director in relation to a Company, means a Director other than a managing Director or a whole-time Director or a nominee Director-

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoters of the Company or its holding, subsidiary or associate Company;
- (ii) who is not related to promoters or Directors of the Company its holding, subsidiary or associate Company

- c. who has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or Director, during the two immediately preceding financial year or during the current financial year;
- d. none of whose relative has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial year or during the current finance year;
- e. who, neither himself nor any of his relative-
  - (i) Holds or has held the position of a key managerial personnel or is or has been employee of the or associate Company in any of the three finance years immediately preceding the finance year in which he is proposed to be appointed;
  - (ii) Is or has been an employee or proprietor or a partner, in any of the three finance year immediately preceding the financial year in which he is proposed to be appointed of-
- (A) a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or
- (B) any legal or a consulting firm that has or had any transaction with the Company, its holding subsidiary or associate Company amounting to ten per cent or more of the gross turnover of more of the gross turnover of such firm;
  - (i) holds together with his relatives two per cent or more of the total voting power of the Company; or
  - (ii) is a chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipt from the Company any of its promoters , Directors or its holding subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company; or
  - (iii) is a material supplier, service provider or customer or a lesser or lessee of the Company.
- f. Shall possess appropriate skills experience and knowledge in one or more field of finance, law management, sales, marketing administration, research, corporate governance, technical operations, corporate social responsibility or this disciplines related to the Company's business.
- g. Shall possess such other qualifications as may be prescribed from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age
- i. Who is not a non-independent Director of another company on the Board of which any non-independent director of the listed entity is an independent director.

3.2.3 The independent Director shall abide by the "code for independent Directors "as specified in Schedule IV to the companies Act, 2013.

### **3.3 Other Directorships/ Committee Memberships**

3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance Accordingly, members should voluntarily limit their Directorships in other listed public limited companies in such a way that it does not interfere with their role as Director of the Company. The NR Committee shall take into account the nature of, and the time involved in a director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

3.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be public limited companies.

3.3.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed Company.

3.3.4 A Director shall not be a member in more than 10 committee or act as chairman of more than 5 committee across all companies in which he holds Directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the companies Act, 2013 shall be excluded.

#### **Remuneration policy for Directors, key managerial personnel and other employees:**

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered and individual performance.

#### **Remuneration policy for Directors, key managerial personnel and other employees**

##### **1. Scope:**

0.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the Directors, key managerial personnel and other employees of the Company.

##### **2. Terms and Reference:**

In this policy the following terms shall have the following meanings:

2.1 **"Director"** means a Director appointed to the Board of the Company.

2.2 **"key managerial personnel"** means

- (i) The Chief Executive Officer or the managing Director or the manager;
- (ii) The Company Secretary;
- (iii) The Whole-time Director;
- (iv) The Chief Financial Officer; and

(v) Such other office as may be prescribed under the companies Act, 2013

2.3 "Nomination and Remuneration committee" means the committee constituted by Board in accordance with the provisions of Section 178 of the companies Act, 2013, clause 49 of the Equity Listing Agreement and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

##### **3. Policy:**

###### **3.1 Remuneration to Executive Director and key managerial personnel**

3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the Company within the overall approved by the shareholders.

- 3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the Company.
- 3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:
- (i) Basic pay
  - (ii) Perquisites and Allowances
  - (iii) Stock Options
  - (iv) Commission (Applicable in case of Executive Directors)
  - (v) Retrial benefits
  - (vi) Annual performance Bonus
- 3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

### **3.2 Remuneration to Non – Executive Directors**

- 3.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per the provisions of the Companies Act.
- 3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

### **3.3. Remuneration to other employees**

- 3.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

## **D. MECHANISM FOR EVALUATION OF THE BOARD**

Evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

In line with Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated January 5, 2017 and the Companies Amendment Act, 2017 the Company adopted the recommended criteria by Securities and Exchange Board of India.

The Directors were given six Forms for evaluation of the following:

- (i) Evaluation of Board;
- (ii) Evaluation of Committees of the Board;
- (iii) Evaluation of Independent Directors;
- (iv) Evaluation of Chairperson;
- (v) Evaluation of Non-Executive and Non-Independent Directors; and

(vi) Evaluation of Managing Director.

The Directors were requested to give following ratings for each criteria:

1. Could do more to meet expectations;
2. Meets expectations; and
3. Exceeds expectations.

The Directors have sent the duly filled forms to Nomination & Remuneration committee. Based on the evaluation done by the Directors, the Committee has prepared a report and submitted the Evaluation Report. Based on the report, the Board of Directors has informed the rankings to each Director and also informed that the performance of Directors is satisfactory and they are recommended for continuation as Directors of the Company.

**E. REMUNERATION TO DIRECTORS**

- (a) all pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity shall be disclosed in the annual report;
- (b) criteria of making payments to non-executive directors. alternatively, this may be disseminated on the listed entity's website and reference drawn thereto in the annual report;
- (c) disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013, the following disclosures shall be made:
  - (i) all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;
  - (ii) details of fixed component and performance linked incentives, along with the performance criteria;
  - (iii) service contracts, notice period, severance fees;
  - (iv) stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable.

Name of the Director	Remuneration (Rs)	Sitting Fee (Rs)	Total (Rs)	No. of Shares held
Vijay Kumar Gupta	38,50,000	-	38,50,000	78,63,016
Susheel Kumar Gupta	38,50,000	-	38,50,000	40,19,699
**Rakesh Malhotra	6,00,000	-	6,00,000	--
*M. Srikanth Reddy	-	30,000	30,000	--
CA. P. Vikram	-	75,000	75,000	--
CA Alka Zanwar	-	75,000	75,000	--
CA Pankaj Kumar Trivedi	-	75,000	75,000	--

\*resigned w.e.f. 01.10.2020

\*\*appointed w.e.f. 27.10.2020

**F. PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:**

The performance evaluation criteria for Independent Directors are already mentioned under the head "Board Evaluation" in Directors' Report.



**3. STAKEHOLDERS RELATIONSHIP COMMITTEE: (Stakeholders Relationship Committee constituted in terms of Section 178(5) of Companies Act, 2013 read with Regulation 20 of SEBI (LODR) Regulations, 2015)**

**A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:**

The Committee's role includes:

- i. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- ii. Review of measures taken for effective exercise of voting rights by shareholders;
- iii. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- iv. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- v. Such other matter as may be specified by the Board from time to time.
- vi. Authority to review / investigate into any matter covered by Section 178 of the Companies Act, 2013 and matters specified in Part D of Schedule II of the Listing Regulations.

During the Financial Year April 2020 to March 2021, One (1) Stakeholders Relationship Committee Meeting was held. The date on which the said meeting was held was 31.07.2020.

**B. COMPOSITION AND ATTENDANCE FOR MEETINGS:**

Name	Designation	Category	Number of meetings during the year 2020-2021	
			Held	Attended
CA. Vikram Penmetsa	Chairman	Independent, Non-Executive	1	1
*M. Srikanth Reddy	Member	Independent, Non-Executive	1	1
CA Alka Zanwar	Member	Independent, Non-Executive	1	1
CA Pankaj Kumar Trivedi	Member	Independent, Non-Executive	1	1

\*resigned w.e.f. 01.10.2020

**C. NAME AND DESIGNATION OF COMPLIANCE OFFICER**

Smt. Neha Kankariya, Company Secretary of the Company is the Compliance Officer of the Company.

**D. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2020-21**

INVESTOR COMPLAINTS	
Particulars	Year ended 31.03.2021
Pending at the beginning of the year	Nil
Received during the year	Nil
Disposed of during the year	Nil
Remaining unresolved at the end of the year	Nil

**4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

In compliance with the provisions of the Companies (Corporate Social Responsibility Policy) Rules 2013, the Company constituted a Corporate Social Responsibility Committee.. The Corporate Social Responsibility Committee, formed under Section 135 of the Companies Act, 2013,

**A. COMPOSITION**

The composition of the Corporate Social Responsibility Committee as under:

Name	Designation	Category
Shri Vijay Kumar Gupta	Chairman	Managing Director
Shri Susheel Kumar Gupta	Member	Whole-time director & CFO
Shri C.A P. Vikram	Member	Independent, Non-Executive

**2. GENERAL BODY MEETINGS**

**A. LOCATION, DATE AND TIME OF LAST THREE AGMS AND SPECIAL RESOLUTIONS THERE AT AS UNDER:**

Financial Year	Date	Time	Venue	Special Resolution Passed
2017-2018	28.09.2018	10.00 A.M	J.S. Krishna Murthy Hall, The Federation of Telangana and Andhra Pradesh Chamber of Commerce & Industry, The Federation House. 11-9-84, Red Hills, Hyderabad- 500004	Yes
2018-2019	27.09.2019	10.15 A.M	FTCCI Surana Auditorium, The Federation of Telangana Chambers of Commerce & Industry, The Federation House, 11-9-84, Red Hills, Hyderabad- 500 004	Yes
2019-2020	29.09.2020	01.00 PM	Video Conference (VC)/ Other Audio- Visual Means (OAVAM)	No

**B. PASSING OF RESOLUTIONS BY POSTAL BALLOT**

There were no resolutions passed by the Company through Postal Ballot during the Financial Year 2020-21.

**3. DISCLOSURES**

**A. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:**

During the year under review, the Company had not entered in to any materially significant transaction with any related party. During the year, the Company had not entered into any other contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions that may have potential conflict with the interests of the Company at large. All the related party transactions during the year are in the ordinary course of business and on arm's length basis.

The policy on related party transactions is available in the Company's website [www.vijaytextiles.in](http://www.vijaytextiles.in)

**B. COMPLIANCES:**

There are no penalties imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

**C. WHISTLE BLOWER POLICY:**

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined in Regulation 22 of SEBI (LODR) Regulations 2015 and in terms of Section 177 of the Companies Act, 2013

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person has been denied access to the Chairman of the Audit Committee.

**D. DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES**

The Company is into manufacturing of textiles and doesn't consume large quantities of commodities in its manufacturing activities. Hence the Company is not materially exposed to commodity price risks nor does the company do any commodity hedging.

**E. DETAILS OF UTILIZATION OF FUNDS RAISED THOROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT.**

During the year under review, no issue of shares was made either by way of preferential allotment/Qualified Institutional Placement/Rights Issue or by any other ways.

**F. CERTIFICATE FROM PRACTICING COMPANY SECRETARY**

The Company has obtained certificate from Practicing Company Secretary that none of the Directors on the Board of the Company are debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such authority. And the Certificate to this effect, duly signed by the Practicing Company Secretary is annexed to this Report

**G. RECOMMENDATIONS OF COMMITTEES**

The Board has accepted and acted upon all the recommendations by the Audit & Nomination and Remuneration Committees.

**H. TOTAL FEES FOR ALL SERVICES PAID BY THE COMPANY, ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR.**

The fees paid by the Company to its statutory Auditors is Rs. 4,50,000/-

**I. DISCLOSURE IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

The following is the summary of sexual harassment complaints received and disposed during the calendar year.

- No. of complaints received during the financial year: Nil
- No. of complaints disposed off during the financial year: Nil
- No. of complaints pending at the end of the financial year: Nil

**J. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT.**

The company has complied with the requirement of Corporate Governance Report of sub-paras (2) to (10) of Schedule-V of the Securities Exchange Board of India (LODR) Regulations, 2015.

**K. ADOPTION OF DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II of SEBI (LODR) REGULATIONS, 2015.**

The company has adopted discretionary requirements to the extent of Internal Auditors reporting to the Audit Committee.

**L. DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSES (b) TO (i) OF SUB-REGULATION (2) OF REGULATION 46 ARE AS FOLLOWS:**

Regulation	Particulars	Compliance Status
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24.	Corporate Governance requirements with respect to subsidiary of Listed company	NA
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other Corporate Governance Requirements	Yes
46 (2)(b) to (i)	Website	Yes

**M. CODE OF CONDUCT**

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

**N. DECLARATION ON CODE OF CONDUCT FOR THE YEAR 2020-21.**

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management personnel of the Company. The code of Conduct has also been posted on the website 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 March 31, 2021 as envisaged in Regulation 26(3) of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015

**O. CEO/ CFO Certification**

The Managing Director and CEO/ CFO certification of the financial statements as specified in Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the Financial Year 2020-2021 is provided elsewhere in this Annual Report.

**P. COMPLIANCE WITH THE MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

All mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been appropriately complied with and the status of non-mandatory requirements is given below:

The Company has an Executive Chairman and the Board is having required number of Independent directors.

The Financial Statements are free from any Audit Qualifications.

**Q. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES**

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

**R. RECONCILIATION OF SHARE CAPITAL:**

A qualified Practicing Company Secretary carry out audit to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. Reconciliation of Share Capital Audit Report confirms that the total paid up capital was in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**S. DISCLOSURE OF ACCOUNTING TREATMENT:**

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the treatment prescribed in the Accounting Standards notified under Section 133 of the Companies Act, 2013.

**4. 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 Regulation 33 of SEBI (LODR), Regulations, 2015 within forty-five days/sixty days 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, The Financial Express and Nava Telangana within forty-eight hours of approval thereof.
- iii. As the Company's quarterly/half yearly financial results are uploaded on Company's website vijaytextiles.in, the same are not mailed to the Shareholders.

**5. GENERAL SHAREHOLDERS INFORMATION:**

Company Registration Details	The Company is registered in the State of Telangana, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L18100TG1990PLC010973.
Date	30.09.2021
Time	11:00 A.M
Venue of AGM	Video Conference
Financial Calendar	1 <sup>st</sup> April to 31 <sup>st</sup> March.
Dividend payment date	--
Tentative Schedule for considering Financial Results:	
For the Quarter ending June,2021	14.08.2021
For the Quarter ending September, 2021	October/ November, 2021
For the Quarter ending December,2021	January/ February, 2022
For the Quarter/year ending March, 2022	April/ May, 2022

# ANNEXURE TO DIRECTORS' REPORT



# TEXTILES LIMITED

Corporate Governance Report (Contd.)

Date of Book Closure	24.09.2021 to 30.09.2021
Name and address of each stock exchange(s) at which the Company's securities are listed	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 023
Confirmation of Payment of annual listing fees to stock exchanges	Paid to BSE, where the shares of the Company are listed
Scrip Code	530151
ISIN Number for NSDL & CDSL	INE256G01033
In case the securities are suspended from trading, the directors report shall explain the reason thereof	The securities of the Company are not suspended from trading by the Stock Exchanges.
Plant Locations	Factory: Mahaboobnagar, Telangana. Wholesale Depot: Kattedan, Telangana. Retail Showrooms: 1. Secunderabad, Telangana. 2. Ameerpet, Telangana. 3. Kukatpally, Telangana. 4. Dilsukhnagar, Telangana. 5. A.S. Rao Nagar, Telangana.
Address for correspondence:	Surya Towers, Ground Floor, 104, Sardar Patel Road, Secunderabad - 500 003. Ph. No. 040-27848479, 27844086. Fax: 040-27846849 Email: <a href="mailto:Info@vijaytextiles.in">Info@vijaytextiles.in</a>
List of all Credit Ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.	Since the Company has not issued any Debt Instruments or Fixed Deposit Programme, therefore company has not obtained any Credit Ratings during the Financial Year.
Address for Correspondence	To be addressed to: Aarathi Consultants Pvt Ltd. 1-2-285, Domalguda, Hyderabad-500029 Phone: 040-27638111, 27634445. Fax: 040-27632184 Email: <a href="mailto:info@aarthiconsultants.com">info@aarthiconsultants.com</a> Web: <a href="http://www.aarthiconsultants.com">www.aarthiconsultants.com</a> .
Investor Correspondence / Query on Annual Report, etc.	Neha Kankariya Company Secretary Surya Towers, Ground Floor, 104, Sardar Patel Road, Secunderabad - 500 003. Ph. No. 040-27848479, 27844086. Fax: 040-27846849 Email: <a href="mailto:cs@vijaytextiles.in">cs@vijaytextiles.in</a> Web: <a href="http://www.vijaytextiles.in">www.vijaytextiles.in</a>

**A. Registrars & Transfer Agents:** Aarathi Consultants Private Limited

1-2-85, Domalguda, Hyderabad – 500029  
Phone: 040-27638111, 27634445 Fax: 040-2763218  
Email: [info@aarthiconsultants.com](mailto:info@aarthiconsultants.com)

**B. Share Transfer System:**

The Company's Shares are traded on BSE Limited compulsorily in the dematerialized form. Transfer of these shares is

done through depositories with no involvement of the Company. However, all requests received for transfer of shares for off market transaction in physical form furnishing with a copy of PAN card of the transferee(s) in compliance with the SEBI circular in that behalf, are processed by the Registrars and Transfer Agents. The Share Transfers are registered and returned within a period of 15 day from the date of lodgement, if documents are complete in all respect.

All matters pertaining to share transfer in physical form are handled by the Registrars and Share Transfer Agents M/s. Aarthi Consultants Pvt Ltd, Hyderabad, who is registrar to the Company. The share transfer requests are processed by them and a transfer register is sent to the Company for approval once in a fortnight. There were no share transfers pending as on 31st March 2021.

**C. Market price data:**

Monthly High/Low of market price of the Company's shares traded on the BSE Limited.

S. No.	Month	High (Rs.)	Low (Rs.)
1	April, 2020	17.65	14.30
2	May, 2020	17.10	13.00
3	June, 2020	19.29	13.30
4	July, 2020	33.55	16.50
5	August, 2020	49.90	27.60
6	September, 2020	50.00	39.00
7	October, 2020	42.85	38.00
8	November, 2020	46.20	38.00
9	December, 2020	51.50	39.00
10	January, 2021	49.30	33.50
11	February, 2021	38.85	32.55
12	March, 2021	42.00	35.20

**D. SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2021:**

Category code	Category of Shareholder	Total Number of shares	% of share holding	Shares pledged or otherwise encumbered	
				Number of Shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group				
(1)	Indian				
a.	Individuals/Hindu Undivided Family	1,36,85,045	74.76	68,80,045	50.27
b.	Central Government/State Government(s)	--	--	--	--
c.	Bodies Corporate	--	--	--	--
d.	Financial Institutions/Banks	--	--	--	--
	Others :-	--	--	--	--
e.	Mutual Funds	--	--	--	--
f.	Trusts	--	--	--	--
	Sub Total (A)(1)	1,36,85,045	74.76	68,80,045	50.27
(2)	Foreign				

Category code	Category of Shareholder	Total Number of shares	% of share holding	Shares pledged or otherwise encumbered	
				Number of Shares	As a percentage
a.	Individuals (Non Resident Individuals/Foreign Individuals)	--	--	--	--
b.	Bodies Corporate	--	--	--	--
c.	Institutions	--	--	--	--
	Others :-	--	--	--	--
d.	Overseas Corporate Bodies	--	--	--	--
	Sub Total (A)(2)	--	--	--	--
	Total Shareholding of Promoter and Promoter Group	1,36,85,045	74.76	68,80,045	50.27
	(A) = (A)(1) + (A)(2)	1,36,85,045	74.76	68,80,045	50.27
(B)	Public Shareholding	--	--	--	--
(1)	Institutions	--	--	--	--
a.	Mutual Funds/UTI	--	--	--	--
b.	Financial Institutions/Banks	--	--	--	--
c.	Central Government/State Government(s)	--	--	--	--
d.	Venture Capital Funds	--	--	--	--
e.	Insurance Companies	--	--	--	--
f.	Foreign Institutional Investors	--	--	--	--
g.	Foreign Venture Capital Investors	--	--	--	--
h.	Foreign Companies	--	--	--	--
	Sub Total (B)(1)	--	--	--	--
(2)	Non-Institutions	--	--	--	--
a.	Bodies Corporate	2,38,560	1.30	--	--
b.	Individuals	--	--	--	--
	i) Individual shareholders holding nominal share capital up to Rs.2 lakh	21,95,777	12.00	--	--
	ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	20,69,647	11.31	--	--
c.	Any Others :-	--	--	--	--
	i) Non Resident Individuals	45,263	0.25	--	--
	ii) Overseas Corporate Bodies	--	--	--	--
	iii) Trusts	--	--	--	--
	iv) Employees	--	--	--	--
	v) Clearing Members	3,390	0.02	--	--
	vi) Foreign Nationals	--	--	--	--
	vii) NBFCs registered with RBI	--	--	--	--
	viii) IEPF	67,318	0.37	--	--



Category code	Category of Shareholder	Total Number of shares	% of share holding	Shares pledged or otherwise encumbered	
				Number of Shares	As a percentage
	Sub Total (B)(2)	46,19,955	25.24	--	--
	Total Public Shareholding (B)=(B)(1)+(B)(2)			--	--
	Total (A)+(B)	<b>1,83,05,000</b>	<b>100</b>	--	--
(C)	Shares held by Custodians and against Depository Receipts have been Issued	--	--	--	--
	Grand Total (A)+(B)+(C)	<b>1,83,05,000</b>	<b>100</b>	--	--

**E. Distribution of Shareholding as on 31.03.2021**

No. of equity Shares held	No. of Shareholders	%	No. of Shares	%
1 to 5000	7019	92.06	653578	3.57
5001 to 10000	266	3.49	205320	1.12
10001 to 20000	117	1.53	174080	0.95
20001 to 30000	50	0.66	131905	0.72
30001 to 40000	25	0.33	91593	0.5
40001 to 50000	21	0.28	98566	0.54
50001 to 100000	47	0.62	353649	1.93
100001 and above	79	1.04	16596309	90.67
Grand Total	7624	100.00	18305000	100.00

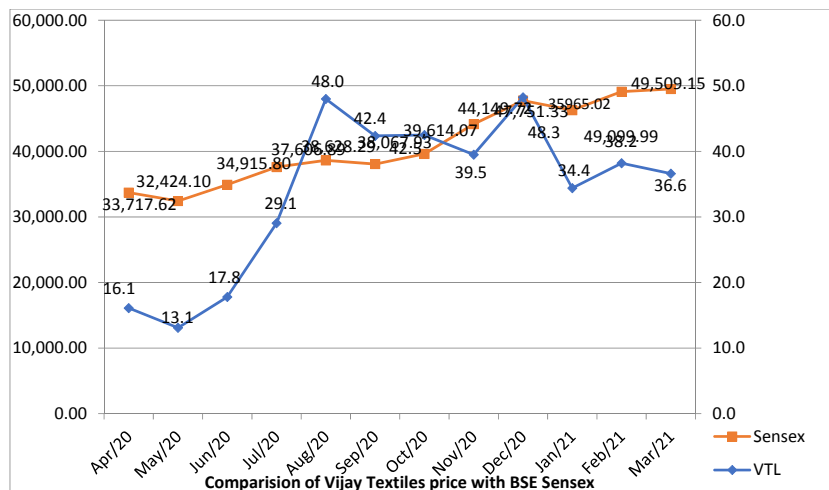
**F. DEMATERIALIZATION & LIQUIDITY OF SHARES:**
**Dematerialization and Liquidity of Shares:**

Trading in Company's shares is permitted only in dematerialized form for all investors. The ISIN allotted to the Company's scrip is 530151. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form.

Particulars	No. of Shares	% Share Capital
NSDL	28,75,153	15.71
CDSL	1,54,16,779	84.22
Physical	13,068	0.07
<b>Total</b>	<b>1,83,05,000</b>	<b>100.00</b>

**G. There are no outstanding global depository receipts or American Depository Receipts likely to impact on the Equity.**

**H. STOCK PERFORMANCE IN COMPARISON TO BSE SENSEX:**



**I. OUTSTANDING GLOBAL DEPOSITORY RECEIPTS OR AMERICAN DEPOSITORY RECEIPTS OR WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:** The Company has 49,30,000 outstanding convertible warrants as on 31<sup>st</sup> March 2020 of which 30,15,000 warrants are converted into equity shares and 19,15,000 warrants were forfeited on 8<sup>th</sup> June 2020.

**GREEN INITIATIVE IN THE COPORATE GOVERNANCE**

As part of the green initiative process, the Company has taken an initiative of sending documents like notice calling Annual General Meeting, Corporate Governance Report, Directors Report, Audited financial Statements, Auditors Report, Dividend intimations etc., by email Physical copies are sent only to those shareholders whose email addresses are not registered with the Company and for bounced mail cases. Shareholders are requested to register their email id with Registrar and Share Transfer Agent/concerned depository to enable the Company to send the documents in electronic form or inform the Company, in writing, in case they wish to receive the above documents in paper mode.

For and on behalf of the Board  
**Vijay Textiles Limited**

Place: Secunderabad  
Date: 14.08.2021

Sd/-  
**Vijay Kumar Gupta**  
Chairman & Managing Director  
DIN: 01050958

**CERTIFICATE ON CORPORATE GOVERNANCE**

**To**  
**The Members**  
**Vijay Textiles Limited**

We have examined the compliance of the conditions of Corporate Governance by Vijay Textiles Limited ('the Company') for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of 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 and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For S.S. Reddy & Associates**

Date: 14.08.2021  
Place: Hyderabad  
UDIN: A012611C000787671

**S. Sarveswar Reddy**  
Practicing Company Secretary  
C.P.No. 7478

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members  
**Vijay Textiles Limited**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Vijay Textiles Limited having CIN L18100TG1990PLC010973 and having registered office at 104, Surya Towers, S.P. Road Secunderabad Telangana (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sl. No	Name of the Director	DIN	Date of Appointment in Company
1.	Vijay Kumar Gupta	01050958	02.02.1990
2.	Susheel Kumar Gupta	00362714	17.06.1994
3.	Rakesh Malhotra	05242639	27.10.2020
4.	Vikram Penmetsa	07577396	28.07.2016
5.	Alka Zanwar	07577453	28.07.2016
6.	Pankaj Kumar Trivedi	08397137	26.03.2019

**For S.S. Reddy & Associates**

Date: 14.08.2021  
Place: Hyderabad  
UDIN: A012611C000787693

**S. Sarveswar Reddy**  
Practicing Company Secretary  
C.P. No. 7478

**CERTIFICATE BY THE MANAGING DIRECTOR AND CFO OF THE COMPANY**

**To**  
**The Board of Directors**  
**Vijay Textiles Limited**

**Dear Sirs,**

As required under Regulation 17(8) read with Part B, Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we state that:

1. We have reviewed the financial statements and the cash flow statement for the Financial Year ended 31<sup>st</sup> March, 2021 and to the best of our knowledge and belief;
  - a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
  - b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take and rectify the identified deficiencies and,
4. That we have informed the auditors and the audit committee of:
  - a) Significant changes in the internal control during the year;
  - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

For and on behalf of the Board  
**For Vijay Textiles Limited**

Place: Hyderabad  
Date: 14.08.2021

Sd/-  
**Vijay Kumar Gupta**  
Managing Director

Sd/-  
**Susheel Kumar Gupta**  
CFO

**DECLARATION ON CODE OF CONDUCT AS REQUIRED BY SCHEDULE V OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

I, Vijay Kumar Gupta, Managing Director of the Company hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with Code of Conduct, as applicable to them, in respect of the Financial Year 2020-21.

**For Vijay Textiles Limited**

Place: Hyderabad  
Date: 14.08.2021

**Vijay Kumar Gupta**  
Managing Director  
(DIN: 01050958)

**Disclosure with Respect to Demat Suspense Account/ Unclaimed Suspense Account:**

As per Regulation 34(3) read with Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company hereby discloses the details of unpaid/unclaimed dividend and the respective share thereof as follows:

Aggregate No. of Shareholders and the outstanding shares in the suspense account at the beginning of the year.	No. of shareholders who approached the Company for transfer of shares from suspense account during the year.	No. of shareholders to whom shares were transferred from suspense account during the year.	Aggregate No. of Shareholders and the outstanding shares in the suspense account at the end of the year.
Nil	Nil	Nil	Nil

Voting Right on these shares shall remain frozen till the rightful owner of such shares claims the shares.

## ANNEXURE – VII

**STATEMENT SHOWING THE NAMES OF TOP TEN EMPLOYEES PURSUANT TO SEC. 197 READ WITH RULE 5 (1) (2) and (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

1. The ratio of remuneration to each director to the median remuneration of the employees of the company for the financial year.

(Amount in INR)

Director	Total Remuneration	Ratio to median remuneration
Shri. Vijay Kumar Gupta	38,50,000	20.84 : 1
Shri. Susheel Kumar Gupta	38,50,000	20.84:1
Shri. Rakesh Malhotra	6,00,000	3.25:1

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Name	Designation	Remuneration		Increase/(Decrease) %
		FY 2020-21	FY 2019-20	
Shri. Vijay Kumar Gupta	Managing Director	38,50,000	42,00,000	(8.33)
Shri. Susheel Kumar Gupta	Whole-time Director & CFO	38,50,000	42,00,000	(8.33)
Shri. Rakesh Malhotra	Executive Director	6,00,000	-	-
Shri. S. Nagarajan	Company Secretary	6,86,452	19,20,000	-
Smt. Haritha Varanasi	Company Secretary	1,50,928	-	-
Smt. Neha Kankariya	Company Secretary	47,143	-	-

Note : Shri. S. Nagarajan resigned w.e.f. 31.08.2020. Smt. Haritha Varanasi appointed 14.09.2020 and resigned w.e.f. 13.02.2021. Smt. Neha Kankariya appointed w.e.f. 13.02.2021.

3. The percentage increase in the median remuneration of employees in the financial year

Particulars	Remuneration		Increase/(Decrease)%
	FY 2020-21	FY 2019-20	
Median Remuneration of all the employees per annum*	5.65	15.18%	-
* Employees who have served for whole of the respective financial years have been considered.			

- 4.

Particulars	Number
The number of employees on the rolls of the company as on March 31, 2021	138

5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and details if there are any exceptional circumstances for increase in the managerial remuneration**

Particulars	Increase/(Decrease) %
<b>Average percentage increase in the remuneration of all Employees*</b>	
(Other than Key Managerial Personnel)	Nil
<b>Average Percentage increase in the Remuneration of Key Managerial Personnel</b>	Nil
<i>* Employees who have served for whole of the respective financial years have been considered.</i>	

6. **Affirmation that the remuneration is as per the remuneration policy of the company.**

The Company is in compliance with its remuneration policy.



# ANNEXURE TO DIRECTORS' REPORT



# TEXTILES LIMITED

## ANNEXURE- VIII

List of Top 10 Employees :

In terms of Remuneration drawn as per Rule 5(3) of the Companies (Appointment and Remuneration of Management personnel) Rules 2014:

S No	Name of the Employee	Designation of the employee	Remuneration received	Nature of employment whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	The age of the employee	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager
1	Vijay Kumar Gupta	Managing Director	38,50,000	Regular	B.Com	01.04.1990	71 Years	Nil	7863016	- NIL -
2	Susheel Kumar Gupta	Executive Director	38,50,000	Regular	B.Com	17.06.1994	46 Years	Nil	4019699	S/o of Shri Vijay Kumar Gupta Managing Director
3	S. Nagaarajan	Company Secretary	6,86,452	Regular	B.Com., ACS	01.02.1995	63 Years	Nil	1200	- NIL -
4	Rakesh Malhotra	Finance Director	6,00,000	Regular	MBA	10.10.2020	66 Years	Nil	Nil	Nil
5	Konda Sahadeva Murthy	Factory Manager	5,70,810	Regular		01.04.2020	73 Years	Nil	- NIL -	- NIL -
6	BethalaSnjay Vikram	Finance Manager	5,15,953	Regular	B.Com (Computers)	24.08.2018	49 Years	Mahara-Pratap Co-operative Urban Bank Ltd	-Nil-	-Nil-
7	Jonnal-agadda ravi Shankar	Manager Accounts	5,41,688	Regular	B.Com	01.04.2020	53 Years	- NIL -	- NIL	- NIL
8	Ram Niwas	Chief Security Officer	4,35,930	Regular	9th class, 14 Years	01.01.2006	55 Years	- NIL -	- NIL -	- NIL -
9	Chotu Ram	Senior Administration Manager	4,10,348	Regular	6th class, 14 Years	01.01.2006	56 Years	- NIL -	-Nil-	-Nil-
10	J Chandu-Naik	Senior Boiler Operator	4,00,828	Regular	Intermediate, 7 Years	01.07.2013	42 Years	Agarwal Ltd	- NIL -	- NIL -

For and on behalf of the Board  
**Vijay Textiles Limited**

Place: Secunderabad  
Date: 14.08.2021

Sd/-  
**Vijay Kumar Gupta**  
Chairman & Managing Director  
DIN: 01050958



**TEXTILES LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF VIJAY TEXTILES LIMITED**

#### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Vijay Textiles Limited (the 'Company') which comprise the Balance Sheet as at 31 March, 2021, the Statement of Profit & Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of Financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on financial statements.

#### **Emphasis of Matter**

We draw attention to Note no. 5A of financial statements which relates to the trade receivables wherein per IND AS 109, the company has provided an amount of Rs. 2.52 Crores for expected credit loss on trade receivables.

We draw attention to Note no. 11A and Note no. 11C of financial statements regarding loans obtained from Financial Institutions wherein the term loan accounts and the CC accounts with Axis Bank Limited and State Bank of India has been declared as NPA. The total outstanding amount is Rs.104.78 Crores. The Company has put up a proposal for regularization as well as upgradation of its accounts to standard asset and further course of action for reduction of its exposure. In line with the said plan the Company has paid Rs. 5 Crores to State Bank of India wherein the Bank with the mail dated 29th June, 2021 has confirmed that it has put up the proposal to the competent authority for approval.

Our opinion is not modified in respect of this matter.

#### **Information other than the financial statements and auditor's report thereon:**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, Management Discussion & Analysis and Corporate Governance Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.



**TEXTILES LIMITED**

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the company in accordance with Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the financial reporting process of the company.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

- I. As required by Section 143 (3) of the Act, based on our audit we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the IND AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
  - (e) On the basis of the written representations received from the directors as on 31 March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
  - (g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of Section 197(16) of the act, as amended :

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24.1 (iii) to the financial statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



**TEXTILES LIMITED**

- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Laxminiwas & Co.**  
Chartered Accountants  
Firm's Registration Number: 011168S

**Vijay Singh**  
Partner  
Membership Number: 221671  
UDIN: 21221671AAAAKL2549

Hyderabad  
30<sup>th</sup> June, 2021

## Annexure A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March 2021, we report that:

- (i). In respect of the company's fixed assets
  - a. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. All the assets are not physically verified by the Management during the year as there is a phased 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 have been noticed on such verification.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii). The inventory has been physically verified on sample basis by the management during the year. The discrepancies noticed on verification between the physical stocks and the book/records were not material, nevertheless those have been dealt properly within the books of accounts.
- (iii). According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, para 3(iii) (a), (b) and (c) of the order are not applicable.
- (iv). In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v). The company has not accepted any deposits during the year and does not have any unclaimed deposits as at 31<sup>st</sup> March, 2021 and therefore the provisions of the clause 3 (v) of the order are not applicable to the company.
- (vi). We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii). 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, Employees' State Insurance, Income tax, Customs duty, Cess, Goods and Service Tax and any other statutory dues applicable to it as on 31<sup>st</sup> March 2021.
- b). According to the information and explanations given to us, following are the undisputed amounts payable in respect of income tax, duty of customs, and TDS dues were in arrears as at 31<sup>st</sup> March 2021 for a period of more than six months from the date they became payable.

Type of Dues	Period	Amount Outstanding as on 31.03.2021	Amount Outstanding as on 31.03.2020
Income Tax	AY 2020-21	-	42,94,313
TDS	Apr'20 to Sep'21	20,67,948	-
Customs Duty	AY 2020-21	20,14,127	20,14,127

- (c) According to the information and explanations given to us, there are no dues of Income tax, Customs duty and Goods and Service Tax which have not been deposited with the appropriate authorities on account of any dispute except as under:



# TEXTILES LIMITED

Type of Dues	Assessment year	Amount Outstanding as on 31.03.2021	Amount Outstanding as on 31.03.2020	Appeal Pending with
Income Tax	2009-10	-	88,36,190	CIT Appeals – IV
Income Tax	2019-20	23,52,210	-	National Faceless Appeals Centre

(viii). According to the information and explanation given to us, the company has defaulted in repayment of dues to bank and financial institutions as at balance sheet date.

Particulars	Type of Loan	Period	Amount of default as at the balance sheet date (Principal amount)	Amount of default as at the balance sheet date (Interest amount)
Axis	Term Loan	Dec'19 to Mar'21	2,21,75,327	34,65,519
	Cash Credit	As on 31-03-21	20,75,56,084	2,20,16,775
SBI	Term Loan	Dec'19 to Mar'21	27,01,44,403	2,78,18,481
	Cash Credit	As on 31-03-21	46,29,45,591	3,16,78,673
<b>Total</b>			<b>96,28,21,405</b>	<b>8,49,79,448</b>

- (ix). The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x). To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi). In our opinion and according to the information and explanations give to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii). In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the company.
- (xiii). According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv). During the year the Company has allotted 30,15,000 equity shares of Rs. 10/- each at a price of Rs. 80/- per share (including a premium of Rs. 70/-) on conversion of warrants issued on preferential basis on 8th June 2020. The amount raised through the preferential issue has been used for the objects of the preferential issue.
- (xv). According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi). The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Laxminiwas & Co.**  
Chartered Accountants  
Firm's Registration Number: 0111685

**Vijay Singh**  
Partner

Hyderabad  
30<sup>th</sup> June, 2021.

Membership Number: 221671  
UDIN: 21221671AAAKL2549



**TEXTILES LIMITED**

## **Annexure - B to the Auditors' Report**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Vijay Textiles Limited** ("the Company") as of 31<sup>st</sup> March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Board of directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and issued by Institute of Chartered accountants of India and the standards on auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and





**TEXTILES LIMITED**

- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Laxminiwas & Co.**

Chartered Accountants

Firm's Registration Number: 011168S

**Vijay Singh**

Partner

Membership Number: 221671

UDIN: 21221671AAAAKL2549

Hyderabad  
30<sup>th</sup> June, 2021.

## **NOTE I: SIGNIFICANT ACCOUNTING POLICIES**

### **1.1. Corporate Information**

Vijay Textiles Limited ("the Company") is a public domiciled in India and incorporated under the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange Limited in India. The Company is engaged in the manufacturing of Textiles.

### **1.2. Basis of Preparation and Presentation**

The financial statements of the Company have been prepared in accordance with Indian Accounting standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies Accounting Standard (Amendment Rules 2016).

### **1.3. PREPARATION OF FINANCIAL STATEMENTS**

#### **a) Basis of Accounting**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

Historical cost is generally based on fair value of the consideration given in exchange for goods and services

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2.

#### **b) Significant accounting judgments, estimates and assumptions**

The preparation of the Company's financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The management believes that the estimates used in preparation of financial statements is prudent and reasonable.

Estimates and underlying assumptions are reviewed at each reporting date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future period is effected.

#### **c) Current/ Non-Current Classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle
- ii. Held primarily for the purpose of trading
- iii. Expected to be realized within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- i. It is expected to be settled in normal operating cycle
- ii. It is held primarily for the purpose of trading
- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

#### **1.4. PROPERTY , PLANT AND EQUIPMENT**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, nonrefundable taxes and directly attributable cost of bringing the asset to its present location and condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Capital work in progress includes cost of property, plant and equipment under installation /under development as at the balance sheet date. Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and Gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence. The asset residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as "Capital Advance" under Other Non-Current Assets.

Depreciation on the property, plant and equipment is provided over the useful life of asset as specified in schedule II to the Companies Act 2013. Property, plant and equipment which are added/ disposed off during the year, depreciation is provided on pro rata basis with reference to the month of addition/ deletion. In case of the following category of property, plant and equipment, the depreciation has been provide based on the technical evaluation of the remaining useful life which is different from the one specified in schedule II to the Companies Act 2013. Any Capital Expenditure costing Rs. 5,000 or less are treated as a Revenue Expenditure and recognized in the statement of profit and loss in the year in which it is incurred.

Depreciation on assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

'Leasehold improvements are amortized over the duration of the lease.

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the assets can be measured reliably.

Intangible assets are stated at cost or acquisition less accumulated amortization and impairment loss, if any.

Intangible assets including software is amortized over their estimated useful life on straight line basis from the date they are available for intended use, subject to impairment test.

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

##### **Subsequent cost**

Subsequent costs incurred for replacement of a major component of an asset should be included in the asset's carrying cost or recognized as a separate asset, as appropriate. The carrying value of the replaced component should be recognized to statement of Profit and Loss when replaced.

**Derecognition**

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

**1.5. REVENUE RECOGNITION**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

**a) Interest income**

Interest Income from financial asset is recognized when it is probable that the economic benefits flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

**b) Other income**

Revenue in respect of other income is recognized when a reasonable certainty as to its realization exists.

**1.6. LEASES**

- (a) Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statements of Profit and Loss on accrual basis.
- (b) Assets created on the leasehold property are depreciated over the period of the lease.

**1.7. INVENTORIES**

- (a) Raw Materials, work in progress, finished goods, packing materials, stores, spares, consumables and stock-in-trade are carried at the lower of cost and net realizable value.
- (b) In determining cost of raw materials, packing materials, stock-in-trade, stores, spares and consumables, First-In-First-Out method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
- (c) Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition.
- (d) Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

**1.8. RETIREMENT BENEFITS TO EMPLOYEE****(a) Defined Contribution Plan:**

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due.

**(b) Defined Benefit Plan:**

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- (i) The date of the plan amendment or curtailment, and
- (ii) The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine Settlements; and
- (ii) Net interest expense or income

**1.9. FOREIGN CURRENCY TRANSACTIONS AND BALANCES****(a) Initial Recognition**

Foreign currency transactions are recorded using the exchange rates prevailing on the date's respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit and Loss.

**(b) Measurement of foreign currency items at the Balance Sheet date**

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, not covered by forward exchange contracts, are translated at year end rates. The resultant exchange differences are recognized in the Statement of Profit and Loss. Non-Monetary assets are recorded at the rates prevailing on the date of the transaction.

**1.10. BORROWING COSTS**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost, if any.

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.

**1.11. EARNINGS PER SHARE**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes)

relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate. to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date.

## 1.12. TAXATION

Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

### (a) Current Income Tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income (OCI) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### (b) Deferred Tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- (i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### **1.13. IMPAIRMENT OF ASSETS**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets.

### **1.14. PROVISIONS AND CONTINGENCIES**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognized in the financial statements.

Contingent Assets are neither recognized nor disclosed in the financial statements.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

### **1.15. FINANCIAL INSTRUMENTS**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **Financial assets**

##### **Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- (i) Debt instruments at amortized cost.
- (ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

- (iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).
- (iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI).

**Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model, whose objective is to hold assets for Collecting contractual cash flows,  
And
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

**Equity investments**

All equity investments in scope of Ind AS-109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS-103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

**De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's consolidated balance sheet) when:

- (i) The rights to receive cash flows from the asset have expired, or
- (ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - (a) The Company has transferred substantially all the risks and rewards of the asset, or
  - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Financial liabilities****Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:



**Loans and borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

**De-recognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

**Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS.

**BALANCE SHEET AS AT  
31ST MARCH, 2021**



**TEXTILES LIMITED**

Particulars	Notes	As at 31.03.2021	As at 31.03.2020
		Rs	Rs
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, plant and equipment	2A	702,684,194	774,356,963
(b) Capital work-in-progress		-	2,082,883
(c) Intangible Assets	2B	77,190	133,974
(d) Deferred tax asset (net)	9	27,907,356	-
(e) Other Non - current Assets	3	23,995,303	23,995,303
<b>TOTAL NON - CURRENT ASSETS</b>		<b>754,664,043</b>	<b>800,569,123</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	4	1,139,172,879	1,275,349,460
(b) Financial Assets			
(i) Trade receivables	5A	1,540,620,610	1,600,284,278
(ii) Cash and cash equivalents	5B	8,359,602	1,576,375
(iii) Other Financial Assets	5C	151,425,899	149,892,051
(c) Other current Assets	6	13,947,770	12,126,753
<b>TOTAL CURRENT ASSETS</b>		<b>2,853,526,760</b>	<b>3,039,228,917</b>
<b>TOTAL ASSETS</b>		<b>3,608,190,803</b>	<b>3,839,798,039</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	7	183,052,689	152,902,689
(b) Other Equity		679,462,368	1,033,342,285
<b>TOTAL EQUITY</b>		<b>862,515,057</b>	<b>1,186,244,974</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	8A	1,162,729,345	1,146,432,503
(b) Deferred Tax Liabilities (Net)	9	-	87,860,942
(c) Other Non Current Liability	10	78,326,926	98,576,113
<b>TOTAL NON - CURRENT LIABILITIES</b>		<b>1,241,056,271</b>	<b>1,332,869,558</b>

**BALANCE SHEET AS AT  
31ST MARCH, 2021** (Contd).



**TEXTILES LIMITED**

Particulars	Notes	As at 31.03.2021	As at 31.03.2020
		Rs	Rs
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities <sup>3</sup>			
(i) Borrowings	I I A	670,501,675	676,823,097
(ii) Trade payables	I I B		
Dues to micro and small enterprises		-	-
Dues to others		189,559,637	179,723,788
(iii) Other financial liabilities	I I C	610,535,493	417,006,676
(b) Other current liabilities	I 2	13,373,209	23,478,831
(c) Provisions	I 3	20,649,461	19,356,803
(d) Income tax liabilities (net)	I 4	-	4,294,313
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,504,619,475</b>	<b>1,320,683,508</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,608,190,803</b>	<b>3,839,798,039</b>

Significant accounting policies and notes on accounts

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*The accompanying notes form part of the financial Statements*

*As per our Report of even date attached*

**for LAXMINIWAS & CO**

Chartered Accountants

Firm's Registration Number:011168 S

Sd/-  
**Vijay Singh**

Partner

Membership No:221671

Place: Hyderabad

Date: 30/06/2021

*For and on behalf of the Board of Directors of*

**Vijay Textiles Limited**

CIN : LI8100TG1990PLC010973

Sd/-  
**Vijay Kumar Gupta**  
Chairman & Managing Director  
DIN:01050958

Sd/-  
**Susheel Kumar Gupta**  
Executive Director & CFO  
DIN:00362714

Sd/-  
**Neha Kankariya**  
Company Secretary

**STATEMENT OF PROFIT & LOSS FOR  
THE PERIOD ENDED  
31ST MARCH, 2021**



**TEXTILES LIMITED**

Particulars	Notes	For the year 31.03.2021	For the year 31.03.2020
		Rs	Rs
<b>INCOME</b>			
Revenue from Operations	15	252,104,756	658,112,784
Other Income	16	1,213,429	4,886,040
<b>TOTAL REVENUE FROM OPERATIONS</b>		<b>253,318,185</b>	<b>662,998,824</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	17	80,971,786	151,595,175
Purchase of Stock -in -Trade		7,183,681	16,743,695
Packing Material Consumed	18	1,798,515	2,454,073
Changes in Inventories of Finished Goods and Work -in-Progress	19	99,581,487	98,853,956
Manufacturing Expenses	20	63,240,646	70,743,987
Employee Benefit Expenses	21	59,720,612	70,118,349
Finance Costs	22	166,445,344	177,505,123
Depreciation and Amortization Expenses	2A & 2B	65,871,799	75,860,053
Other Expenses	23	64,125,516	45,479,189
<b>TOTAL EXPENSES</b>		<b>608,939,388</b>	<b>709,353,601</b>
<b>Profit/(loss) before tax</b>		<b>(355,621,202)</b>	<b>(46,354,777)</b>
<b>TAX EXPENSES</b>			
(a) Current tax		-	-
(b) Deferred tax		(116,025,763)	11,270,847
<b>TOTAL TAX EXPENSES</b>		<b>(116,025,763)</b>	<b>11,270,847</b>
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>(239,595,439)</b>	<b>(57,625,624)</b>

**STATEMENT OF PROFIT & LOSS FOR  
THE PERIOD ENDED  
31ST MARCH, 2021 (Contd).**



**TEXTILES LIMITED**

Particulars	Notes	For the year 31.03.2021	For the year 31.03.2020
		Rs	Rs
<b>Other Comprehensive Income</b>			
<b>(i) Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurement of the net defined benefit liability/ assets		1,022,988	229,636
Less: Deferred Tax ( Actuarial Gain / Loss )		(257,466)	(59,705)
<b>(ii) Items that will be reclassified subsequently to profit or loss</b>			
<b>Total other comprehensive income, net of taxes</b>		<b>765,522</b>	<b>169,931</b>
<b>Total Income for the period</b>		<b>(238,829,917)</b>	<b>(57,455,693)</b>
<b>Earnings per equity share</b>			
Equity share of par value Rs. 10/- each			
Basic(Rs.)		(13.46)	(3.76)
Diluted(Rs.)		(13.46)	-2.91
<b>Weighted Average Number of Equity Shares used in computing EPS</b>			
Basic		17,743,301	15,290,000
Diluted		17,743,301	19,720,000

**Significant accounting policies and notes on accounts**

**The accompanying notes form part of the financial Statements**

*As per our Report of even date attached*

**for LAXMINIWAS & CO**

Chartered Accountants

Firm's Registration Number:011168 S

Sd/-  
**Vijay Singh**

Partner

Membership No:221671

Place: Hyderabad

Date: 30/06/2021

*For and on behalf of the Board of Directors of  
Vijay Textiles Limited*

CIN : LI8100TG1990PLC010973

Sd/-  
**Vijay Kumar Gupta**  
Chairman & Managing Director  
DIN:01050958

Sd/-  
**Susheel Kumar Gupta**  
Executive Director & CFO  
DIN:00362714

Sd/-  
**Neha Kankariya**  
Company Secretary

**CASH FLOW STATEMENT**  
**YEAR ENDED 31ST MARCH, 2021**  
(Contd).



**TEXTILES LIMITED**

Particulars	Year 2020-2021		Year 2019-2020	
	Rs	Rs	Rs	Rs
<b>A. Cash Flow From Operating Activities</b>				
<b>Net profit before tax</b>		(355,621,202)		(46,354,777)
<b>Adjusted for</b>				
Depreciation	65,871,799		75,860,053	
Finance Costs	166,445,344		177,505,123	
Re-measurement gains/(losses) on employment defined benefit plans	1,022,988		229,636	
Loss / (Profit) on sale of fixed assets (net)	1,029,798		(64,322)	
Interest Income	(352,326)		(426,725)	
Excess provision written back	(102,366)		-	
		233,915,237		253,103,765
<b>Operating Profit Before Working Capital Changes</b>		<b>(121,705,965)</b>		<b>206,748,988</b>
<b>Working Capital changes adjusted for</b>				
Trade Receivables	59,663,668		(181,756,697)	
Other financial and non financial assets	(3,354,865)		14,095,801	
Inventories	136,176,581		122,712,413	
Trade Payables	9,835,849		(1,005,525)	
Provisions	1,292,658		4,757,173	
Other financial and non financial liabilities	183,423,195		58,778,124	
		387,037,086		17,581,289
<b>Cash Generated From Operations</b>		<b>265,331,121</b>		<b>224,330,277</b>
Direct Taxes Paid		(4,294,313)		-
<b>Net Cash Flow From Operating Activities (A)</b>		<b>261,036,808</b>		<b>224,330,277</b>

**CASH FLOW STATEMENT**  
**YEAR ENDED 31ST MARCH, 2021**  
(Contd).



**TEXTILES LIMITED**

Particulars	Year 2020-2021		Year 2019-2020	
	Rs	Rs	Rs	Rs
<b>B. Cash Flow From Investing Activities</b>				
Purchase Of Fixed Assets	(3,559,574)		(4,454,720)	
Deposits	-		(2,000)	
Proceeds from sale of fixed assets	6,100,000		80,001	
Interest income received	352,326		491,860	
<b>Net Cash Used In Investing Activities (B)</b>		<b>2,892,752</b>		<b>(3,884,859)</b>
<b>C. Cash Flow From Financing Activities</b>				
Net Working Capital Borrowings	(6,321,422)		(5,402,938)	
Net proceeds from long term borrowings	16,296,842		(17,015,662)	
Interest Paid	(166,342,978)		(167,904,853)	
Payment of Lease Liability	(15,878,714)		(30,811,361)	
Issue of share capital adjusted with share warrants	(84,900,000)		-	
<b>Net Cash Used In Financing Activities (C)</b>		<b>(257,146,273)</b>		<b>(221,134,814)</b>
<b>Net Increase/ (Decrease) In Cash And Cash Equivalents (A+B+C)</b>		<b>6,783,287</b>		<b>(689,396)</b>
<b>Opening Cash And Cash Equivalents</b>		<b>1,576,315</b>		<b>2,265,711</b>
<b>Closing Cash And Cash Equivalents</b>		<b>8,359,602</b>		<b>1,576,315</b>

*The accompanying notes form part of the financial Statements*

*As per our Report of even date attached*

**for LAXMINIWAS & CO**

Chartered Accountants

Firm's Registration Number:011168 S

Sd/-  
**Vijay Singh**

Partner

Membership No:221671

*For and on behalf of the Board of Directors of*

**Vijay Textiles Limited**

CIN : LI8100TGI990PLC010973

Sd/-  
**Vijay Kumar Gupta**  
Chairman & Managing Director  
DIN:01050958

Sd/-  
**Susheel Kumar Gupta**  
Executive Director & CFO  
DIN:00362714

Place: Hyderabad

Date: 30/06/2021

Sd/-  
**Neha Kankariya**  
Company Secretary

# NOTES TO FINANCIAL STATEMENTS



# TEXTILES LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH, 2021

(a) Equity Share Capital		(Rs.)						
Particulars		Particulars	Retained Earnings	Capital reserve	Money received against Share Warrants	Equity Instruments through other comprehensive income	Other comprehensive income	Total Other Equity
Balance as at 1 April, 2020	152,900,000							
Changes in equity share capital during the period	30,150,000							
Balance as at 31 March, 2021	183,050,000							
(b) Other Equity		(Rs.)						
Particulars	Securities Premium Reserve	General Reserve	Retained Earnings	Capital reserve	Money received against Share Warrants	Equity Instruments through other comprehensive income	Other comprehensive income	Total Other Equity
Balance as on 1st April, 2020	378,362,510	299,438,658	(23,657,129)	17,000,000	364,400,000	-	(2,201,754)	1,033,342,285
Add : Premium on Shares issued during the quarter	211,050,000	-	-	-	-	-	-	211,050,000
Less : Equity Dividend	-	-	-	-	-	-	-	-
Less : Dividend Distribution Tax	-	-	-	-	-	-	-	-
Less : Adjustment of share warrants	-	-	-	-	(326,100,000)	-	-	(326,100,000)
Profit and loss during period	-	-	(239,595,439)	-	-	-	-	(239,595,439)
Actuarial Gain / Loss	-	-	-	-	-	-	1,022,988	1,022,988
Deferred Tax on adjustments	-	-	-	-	-	-	(257,466)	(257,466)
Balance as on 31st March, 2021	589,412,510	299,438,658	(263,252,568)	17,000,000	38,300,000	-	(1,436,232)	679,462,368

The accompanying notes form part of the financial Statements

As per our Report of even date attached

for LAXMINIWAS & CO

Chartered Accountants

Firm's Registration Number: 011168 S

Sd/-

**Vijay Singh**

Partner

Membership No: 221671

For and on behalf of the Board of Directors of

**Vijay Textiles Limited**

CIN : L18100TG1990PLC010973

Sd/-

**Vijay Kumar Gupta**

Chairman & Managing Director

DIN: 01050958

Sd/-

**Susheel Kumar Gupta**

Executive Director & CFO

DIN: 00362714

Sd/-

**Neha Kankariya**

Company Secretary

Place: Hyderabad

Date: 30/06/2021



# NOTES TO FINANCIAL STATEMENTS



# TEXTILES LIMITED

## NOTE 2A & 2B : PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS:

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2020	Additions/ Adjustment	Deletion/ Adjustment	As at 31.03.2021	As at 01.04.2020	For P & L	Deletion/ Adjustment	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
<b>Tangible Assets: 2A</b>										
Land	76,254,798	-	-	76,254,798	-	-	-	-	76,254,798	76,254,798
Building	228,851,167	414,830	-	229,265,997	76,117,722	6,833,566	-	82,951,288	146,314,709	152,733,445
Lease Hold Property	95,143,860	-	-	95,143,860	45,588,947	3,897,318	-	49,486,265	45,657,595	49,554,913
ROU- Asset	145,067,237	-	4,370,413	140,696,824	24,312,152	23,823,188	-	48,135,340	92,561,484	120,755,085
Plant & Machinery	553,707,201	5,200,707	-	558,907,908	259,823,752	17,805,049	-	277,628,801	281,279,107	293,883,449
Electrical Installation	88,149,309	19,420	-	88,168,729	77,679,637	1,952,696	-	79,632,333	8,536,396	10,469,672
Furniture & Fixtures	290,039,311	7,500	-	290,046,811	254,771,605	4,549,423	-	259,321,028	30,725,783	35,267,706
Office Equipment	3,846,654	-	-	3,846,654	3,555,045	40,145	-	3,595,190	251,464	291,609
Vehicles	65,464,755	-	17,561,492	47,903,263	30,829,522	6,762,654	10,431,694	27,160,482	20,742,781	34,635,233
Computers	2,863,291	-	-	2,863,291	2,352,238	150,976	-	2,503,214	360,077	511,053
<b>Sub Total (A)</b>	<b>1,549,387,583</b>	<b>5,642,457</b>	<b>21,931,905</b>	<b>1,533,098,135</b>	<b>775,030,620</b>	<b>65,815,015</b>	<b>10,431,694</b>	<b>830,413,941</b>	<b>702,684,194</b>	<b>774,356,963</b>
<b>Capital Work In Progress</b>	<b>2,082,883</b>	<b>2,976,414</b>	<b>5,059,297</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,082,883</b>
<b>Intangible Assets: 2B</b>										
Computer - Software	1,513,441	-	-	1,513,441	1,379,467	56,784	-	1,436,251	77,190	133,974
<b>Sub Total (B)</b>	<b>1,513,441</b>	<b>-</b>	<b>-</b>	<b>1,513,441</b>	<b>1,379,467</b>	<b>56,784</b>	<b>-</b>	<b>1,436,251</b>	<b>77,190</b>	<b>133,974</b>
<b>TOTAL(A+B)</b>	<b>1,552,983,907</b>	<b>8,618,871</b>	<b>26,991,202</b>	<b>1,534,611,576</b>	<b>776,410,087</b>	<b>65,871,799</b>	<b>10,431,694</b>	<b>831,850,192</b>	<b>702,761,384</b>	<b>776,573,820</b>
<b>Previous Year</b>	<b>1,552,983,907</b>	<b>149,521,957</b>	<b>313,573</b>	<b>1,552,983,907</b>	<b>700,847,928</b>	<b>75,860,053</b>	<b>297,894</b>	<b>776,410,087</b>	<b>776,573,820</b>	<b>702,927,595</b>

**NOTE 3 : OTHER NON-CURRENT ASSETS**

Particulars	As at	As at
	31.03.2021	31.03.2020
	Rs	Rs
<b>Unsecured, considered good</b>		
<b>Deposits:</b>		
With Govt.Bodies	6,541,170	6,541,170
Rent	16,981,000	16,981,000
With suppliers	473,133	473,133
<b>TOTAL</b>	<b>23,995,303</b>	<b>23,995,303</b>

**NOTE 4 : INVENTORIES**

Particulars	As at	As at
	31.03.2021	31.03.2020
	Rs	Rs
<b>(At lower of cost or net realisable value)</b>		
Raw-Material	56,888,451	88,968,878
Work- in- Progress	3,872,108	3,070,648
Finished Goods	1,053,529,659	1,153,912,606
Stores & Consumables	24,882,661	29,360,735
Material in Transit	-	36,593
<b>TOTAL</b>	<b>1,139,172,879</b>	<b>1,275,349,460</b>

**FINANCIAL ASSETS:**
**NOTE 5A : TRADE RECEIVABLES**

Particulars	As at	As at
	31.03.2021	31.03.2020
	Rs	Rs
<b>Unsecured, Considered Good</b>		
Outstanding for a period exceeding six months	1,529,793,362	1,485,225,809
Others	35,992,248	115,058,469
<b>TOTAL</b>	<b>1,565,785,610</b>	<b>1,600,284,278</b>
Significant increase in Credit Risk	-	-
<b>TOTAL</b>	<b>1,565,785,610</b>	<b>1,600,284,278</b>
Credit Impaired	(25,165,000)	-
<b>GRAND TOTAL</b>	<b>1,540,620,610</b>	<b>1,600,284,278</b>

**NOTE 5B : CASH AND CASH EQUIVALENTS**

Particulars	As at	As at
	31.03.2021	31.03.2020
	Rs	Rs
Cash on Hand	6,429,277	155,563
Bank Balance with Scheduled Banks		
- In Current Accounts	435,332	11,403
- In Unclaimed Dividend Accounts	149,212	149,212
- In Term Deposit Account ( Refer Note a)	1,345,781	1,260,197
<b>TOTAL</b>	<b>8,359,602</b>	<b>1,576,375</b>

a) Term deposits are held as margin money against Bank Guarantees.

**NOTE 5C : OTHER FINANCIAL ASSETS**

Particulars	As at	As at
	31.03.2021	31.03.2020
	Rs	Rs
Interest Receivable	259,802	340,106
Receivable against cancellation of Tech-Park Project	147,991,933	147,991,933
Other Current Assets	3,174,164	1,560,012
<b>TOTAL</b>	<b>151,425,899</b>	<b>149,892,051</b>

**NOTE 6 : OTHER CURRENT ASSETS**

Particulars	As at	As at
	31.03.2021	31.03.2020
	Rs	Rs
Advances for Supplies and Services	5,682,470	1,854,971
Pre Paid Expenses	3,620,463	6,600,491
Income Tax Receivable	3,432,141	2,841,263
Loans and Advances to Employees	544,659	256,449
Other Current Assets	668,037	573,579
<b>TOTAL</b>	<b>13,947,770</b>	<b>12,126,753</b>

**NOTE 7 : EQUITY SHARE CAPITAL**

Particulars	As at	As at
	31.03.2021	31.03.2020
	Rs	Rs
<b>Authorised Capital</b>		
2,03,00,000 (Previous Year : 2,03,00,000) Equity Shares of Rs.10/- each	203,000,000	203,000,000
53,00,000 (Previous year 53,00,000) 0.10% Non-Convertible Cumulative Redeemable Preference Shares of Rs.100/- each	530,000,000	530,000,000
<b>TOTAL</b>	<b>733,000,000</b>	<b>733,000,000</b>
<b>Issued, Subscribed and Paid-Up Capital</b>		
1,83,05,000 (Previous Year : 1,52,90,000) Equity Shares of Rs10/- each	183,050,000	152,900,000
Share Forfeiture	2,689	2,689
<b>TOTAL</b>	<b>183,052,689</b>	<b>152,902,689</b>

**NOTE 8A : BORROWINGS**

Particulars	As at	As at
	31.03.2021	31.03.2020
	Rs	Rs
<b>A. Secured</b>		
Term Loan From Banks ( Refer Note I )	-	73,570,868
Vehicle Loans ( Refer Note II )	-	6,825,943
<b>Sub-Total</b>	<b>-</b>	<b>80,396,811</b>
<b>B. Unsecured</b>		
Loans and Advances from other related parties ( Refer Note III )	1,157,183,829	1,066,035,692
Loan from other parties	5,545,516	-
<b>Sub-Total</b>	<b>1,162,729,345</b>	<b>1,066,035,692</b>
<b>TOTAL</b>	<b>1,162,729,345</b>	<b>1,146,432,503</b>

**Notes:**
**(I) Term Loans from banks namely State Bank of India and Axis Bank Limited, are secured by :**

- (a) First pari passu charge on all the immovable and movable Fixed Assets present and future of the Company.
- (b). Second pari passu charge on all the current assets of the Company (excluding credit card receivables).
- (c). Further the terms loans are collaterally secured by;
  - (i) Commercial space admeasuring 5108.75 sft, bearing shop Nos: 8,9,11 and 13, situated in Ground Floor, Surya Towers, 104, S.P.Road, Secunderabad-500 003,standing in the names of Shri Vijay Kumar Gupta,Shri Vijay Kumar Gupta(HUF), Shri Susheel Kumar Gupta and Smt.Shashikala Gupta.

- (ii) Pledge of entire shares held by Promoters i.e. Shri Vijay Kumar Gupta, Shri Susheel Kumar Gupta, Smt Shashikala Gupta.
- (iii) Personal Guarantees of Shri. Vijay Kumar Gupta, Vijay Kumar Gupta HUF, Shri. Susheel Kumar Gupta and Mrs. Shashikala Gupta. Guarantee limited to the value of the security mortgaged.
- (iv) Term -II and FITL-II of State Bank of India is secured by exclusive charge on credit card receivables and collateral security as pari passu first charge on the fixed assets of the Company present and future.

**Terms of Repayment:**

- 1 State Bank of India - Term Loan -I, II, III and IV are repayable in 78 monthly instalments commencing from July, 2015 after moratorium of 17 months from the cutoff date, bearing interest at rate of 13.05% presently based on 1-year MCLR with annual reset. Repayment ends on 30<sup>th</sup> June 2022 as the company has availed 6 months moratorium from March, 2020 to August, 2020 due to Covid -19 pandemic as per extant guidelines.
- 2 State Bank of India - Funded Interest Term Loan is repayable in 72 monthly instalments commencing from July, 2015 after moratorium of 17 months from the cutoff date, bearing interest at rate of 13.05% presently based on 1-year MCLR with annual reset. Repayment ends on 30<sup>th</sup> June 2022 as the company has availed 6 months moratorium from March, 2020 to August, 2020 due to Covid -19 pandemic as per extant guidelines.
- 3 State Bank of India - Working Capital Term Loan is repayable in 66 monthly instalments commencing from July, 2015 after moratorium of 17 months from the cutoff date, bearing interest at rate of 13.05% presently based on 1-year MCLR with annual reset. Repayment ends on 30<sup>th</sup> June 2021 as the company has availed 6 months moratorium from March, 2020 to August, 2020 due to Covid -19 pandemic as per extant guidelines.
- 4 State Bank of India - Priority Debt Term Loan is repayable in 72 monthly instalments commencing from July, 2015 after moratorium of 17 months from the cutoff date, bearing interest at rate of 13.05% presently based on 1-year MCLR with annual reset. Repayment ends on 30<sup>th</sup> Nov ember, 2020 as the company has availed 6 months moratorium from March, 2020 to August, 2020 due to Covid -19 pandemic as per extant guidelines.
- 5 State Bank of India - Term Loan -I, II, III and IV are repayable in 78 monthly instalments commencing from July, 2015 after moratorium of 17 months from the cutoff date, bearing interest at rate of 13.05% presently based on 1-year MCLR with annual reset. Repayment ends on 30<sup>th</sup> June 2022 as the company has availed 6 months moratorium from March, 2020 to August, 2020 due to Covid -19 pandemic as per extant guidelines.
- 6 State Bank of India - Funded Interest Term Loan is repayable in 72 monthly instalments commencing from July, 2015 after moratorium of 17 months from the cutoff date, bearing interest at rate of 13.05% presently based on 1-year MCLR with annual reset. Repayment ends on 30<sup>th</sup> June 2022 as the company has availed 6 months moratorium from March, 2020 to August, 2020 due to Covid -19 pandemic as per extant guidelines.
- 7 State Bank of India - Working Capital Term Loan is repayable in 66 monthly instalments commencing from July, 2015 after moratorium of 17 months from the cutoff date, bearing interest at rate of 13.05% presently based on 1-year MCLR with annual reset. Repayment ends on 30<sup>th</sup> June 2021 as the company has availed 6 months moratorium from March, 2020 to August, 2020 due to Covid -19 pandemic as per extant guidelines.
- 8 State Bank of India Priority Debt Term Loan is repayable in 72 monthly instalments commencing from July, 2015 after moratorium of 17 months from the cutoff date, bearing interest at rate of 13.05% presently based on 1-year MCLR with annual reset. Repayment ends on 30<sup>th</sup> Nov ember, 2020 as the company has availed 6 months moratorium from March, 2020 to August, 2020 due to Covid -19 pandemic as per extant guidelines.
- 9 State Bank of India - Funded Interest Term Loan of Rs. 2.23 Crores is repayable in bullet repayment by 31.03.2021 commencing from 1st September, 2021, bearing interest @11.55% p.a. presently, under 1-year MCLR based lending rate with annual reset.

- 10 State Bank of India - Funded Interest Term Loan of Rs. 0.49 Crores is repayable in bullet repayment by 31.03.2021, commencing from 1st September,2021, bearing interest @11.55% p.a. presently under 1-year MCLR based lending rate with annual reset.
- 11 Axis Bank Limited - Term Loan is repayable in 78 monthly instalments after 17 months moratorium after the cutoff date. Repayment ends on 31<sup>st</sup> December,2021.
- 12 Axis Bank Limited - Funded Interest Term Loan is repayable in 78 monthly instalments after 17 months moratorium from the cutoff date. Repayment ends on 31<sup>st</sup> December,2021.
- 13 Axis Bank Limited - Working Capital Term Loan is repayable in 78 monthly instalments after 17 months moratorium from the cutoff date. Repayment ends on 31<sup>st</sup> December,2021.
- 14 Axis Bank Limited - Priority Debt Loan is repayable in 60 monthly instalments after 17 months moratorium from the cutoff date. Repayment ends on 31<sup>st</sup> December,2021.

**(II) Vehicle Loan is secured by way of hypothecation of specific vehicle financed:**

**b. Terms of Repayment:**

- I Loan availed from Toyota Financial Services India Ltd., under Loan Account No. NHYD 1136418 is repayable in monthly instalments of Rs 0.47 Lakhs each inclusive of interest and repayment ends on 10th November,2021.

**III) Unsecured Loans from Related Parties:**

- I Unsecured Loans are from Shri. Vijay Kumar Gupta, Chairman and Managing Director and Shri. Susheel Kumar Gupta, Executive Director of the Company repayable over a period of 10 years ending on 15th April, 2027.

**NOTE 9 : DEFERRED TAX (NET)**

Particulars	As at	As at
	31.03.2021	31.03.2020
	Rs	Rs
At the beginning of the year	(87,860,942)	76,530,390
Provision for the year	115,768,298	11,330,552
Closing Balance	<b>27,907,356</b>	<b>87,860,942</b>

**NOTE 10 : OTHER NON CURRENT LIABILITY**

Particulars	As at	As at
	31.03.2021	31.03.2020
	Rs	Rs
Provision for lease liability	78,326,926	98,576,113
Closing Balance	<b>78,326,926</b>	<b>98,576,113</b>

**NOTE 11A : BORROWINGS**

Particulars	As at	As at
	31.03.2021	31.03.2020
	Rs	Rs
Working Capital Borrowings from Banks (secured)	670,501,675	676,823,097
<b>TOTAL</b>	<b>670,501,675</b>	<b>676,823,097</b>

Refer the head "Note I" under Note 8A to the Financial Statements for the Terms of Repayment of Term Loans, Vehicle Loans & Unsecured Loans.

**Notes :**

Working Capital facilities availed by the Company from State Bank of India and Axis Bank Limited are carrying interest rate ranging from 11.05% to 10.80% and are secured by:

- (a) Pari-Passu first charge on all chargeable current assets of the Company in favour of State Bank of India and Axis Bank Limited (excluding credit card receivables, which are charged to State Bank of India alone and are separately dealt with herein).
- (b) Pari-Passu second charge on entire Fixed Assets of the Company, both present and future.  
Further the Working Capital facilities are collaterally secured by :
  - (c) Commercial space admeasuring 5108.75 sft, bearing shop Nos: 8,9,11 and 13, situated in Ground Floor, Surya Towers, 104, S.P.Road, Secunderabad-500 003,standing in the names of Shri Vijay Kumar Gupta,Shri Vijay Kumar Gupta (HUF), Shri Susheel Kumar Gupta and Smt.Shashikala Gupta.
  - (d) Pledge of entire shares held by Promoters i.e. Shri Vijay Kumar Gupta, Shri Susheel Kumar Gupta, Smt Shashikala Gupta.
  - (e) Personal Guarantees of Shri. Vijay Kumar Gupta,Vijay Kumar Gupta HUF, Shri. Susheel Kumar Gupta and Mrs. Shashikala Gupta. Guarantee limited to the value of the security mortgaged.

**NOTE I B : TRADE PAYABLES**

Particulars	As at	As at
	31.03.2021	31.03.2020
	Rs	Rs
(a) Due to micro and small enterprises	-	-
(b) Due to others	189,559,637	179,723,788
<b>TOTAL</b>	<b>189,559,637</b>	<b>179,723,788</b>

**NOTE I C : OTHER FINANCIAL LIABILITIES**

Particulars	As at	As at
	31.03.2021	31.03.2020
	Rs	Rs
Term Loan instalments due less than 12 months	292,304,666	187,936,130
Vehicle Loan instalments due less than 12 months	8,363,256	7,704,046
Interest Accrued and Due on Borrowings	85,302,486	19,696,414
Interest payable on unsecured loans	162,781,961	143,512,323
Leased assets rent payment due less than 12 months	34,489,074	31,936,720
Unclaimed Dividend	149,212	149,212
Other Liabilities	27,144,839	26,071,830
<b>TOTAL</b>	<b>610,535,493</b>	<b>417,006,676</b>

Note on NPA:-

The company's accounts with State Bank Of India & Axis Bank Limited have been declared as Non Performing Asset (NPA). The company has immediately thereafter submitted a proposal to the banks for regularization as well as upgradation of it's accounts to Standard Asset. In line with the said action plan, the company has received an email communication dated 29th June'2021 from State Bank Of India confirming that the company's proposal has been taken up for approval with the competent authority.

Note: Please refer to notes under Note:8 for details of repayment of loans and securities charged to the lenders.

**NOTE 12 : OTHER CURRENT LIABILITIES**

Particulars	As at	As at
	31.03.2021	31.03.2020
	Rs	Rs
Due to Government authorities	9,439,445	12,460,248
Advance received from customers and others	3,933,764	11,018,583
<b>TOTAL</b>	<b>13,373,209</b>	<b>23,478,831</b>

**NOTE 13 : PROVISIONS**

Particulars	As at	As at
	31.03.2021	31.03.2020
	Rs	Rs
Provision for Bonus	3,028,392	2,551,178
Provision for Leave Encashment	3,399,541	3,494,467
Provision for Incentives	177,313	682,112
Provision for CSR Expenses	2,259,158	1,874,966
Provision for Gratuity	11,785,057	10,754,080
<b>TOTAL</b>	<b>20,649,461</b>	<b>19,356,803</b>

**NOTE 14 : INCOME TAX LIABILITIES (NET)**

Particulars	As at	As at
	31.03.2021	31.03.2020
	Rs	Rs
Current tax liabilities (net)	-	4,294,313
<b>TOTAL</b>	<b>-</b>	<b>4,294,313</b>

**NOTE 15 : REVENUE FROM OPERATIONS**

Particulars	For the period	For the period
	31.03.2021	31.03.2020
	Rs	Rs
<b>REVENUE FROM OPERATIONS :</b>		
Cloth Sales - State	115,412,104	449,877,209
Cloth Sales - Int. State	71,053,227	178,078,366
Cloth Sales - Export	702,145	-
<b>Sub-Total</b>	<b>187,167,476</b>	<b>627,955,575</b>
<b>Other Operating Revenue</b>		
Job Work Charges Received	64,937,281	30,157,209
<b>Sub-Total</b>	<b>64,937,281</b>	<b>30,157,209</b>
<b>TOTAL</b>	<b>252,104,756</b>	<b>658,112,784</b>



**NOTE 16 : OTHER INCOME**

Particulars	For the period 31.03.2021	For the period 31.03.2020
	Rs	Rs
Interest Received	352,326	426,725
Miscellaneous Income	758,737	318,262
Interest on Income Tax	-	4,141,053
Excess Provision written back	102,366	-
<b>TOTAL</b>	<b>1,213,429</b>	<b>4,886,040</b>

**NOTE 17 : COST OF RAW MATERIALS CONSUMED**

Particulars	For the period 31.03.2021	For the period 31.03.2020
	Rs	Rs
Opening Stock	88,968,878	107,007,026
Add: Purchases	48,891,359	133,557,027
	<b>137,860,237</b>	<b>240,564,053</b>
Less: Closing Stock	56,888,451	88,968,878
<b>Consumption</b>	<b>80,971,786</b>	<b>151,595,175</b>

**NOTE 18 : PACKING MATERIAL CONSUMED**

Particulars	For the period 31.03.2021	For the period 31.03.2020
	Rs	Rs
Opening Stock	968,034	990,360
Add: Purchases	1,612,399	2,431,747
	<b>2,580,433</b>	<b>3,422,107</b>
Less: Closing Stock	781,918	968,034
<b>Consumption</b>	<b>1,798,515</b>	<b>2,454,073</b>

**NOTE 19 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

Particulars	For the period 31.03.2021	For the period 31.03.2020
	Rs	Rs
<b>A. OPENING STOCK</b>		
Finished Goods	1,153,912,606	1,247,482,410
Stock in Process	3,070,648	8,354,800
<b>TOTAL (A)</b>	<b>1,156,983,254</b>	<b>1,255,837,210</b>

# NOTES TO FINANCIAL STATEMENTS



# TEXTILES LIMITED

Particulars	For the period 31.03.2021	For the period 31.03.2020
	Rs	Rs
<b>B. CLOSING STOCK</b>		
Finished Goods	1,053,529,659	1,153,912,606
Stock in Process	3,872,108	3,070,648
<b>TOTAL (B)</b>	<b>1,057,401,767</b>	<b>1,156,983,254</b>
<b>Net Increase/(Decrease) in Stocks (A-B)</b>	<b>99,581,487</b>	<b>98,853,956</b>

## NOTE 20 : MANUFACTURING EXPENSES

Particulars	For the period 31.03.2021	For the period 31.03.2020
	Rs	Rs
Carriage & Freight	2,079,304	952,480
Consumption of Firewood	-	20,525,979
Consumption of Rice Husk	26,687,588	8,669,614
Power & Fuel	17,690,923	17,569,033
Consumption of Design & Development	5,433,722	5,243,385
Consumption of Stores & Consumables	4,675,409	8,529,029
Other Manufacturing Expenses	3,841,050	4,830,359
Effluent Treatment Plant Expenses	2,832,650	4,424,109
<b>TOTAL</b>	<b>63,240,646</b>	<b>70,743,987</b>

## NOTE 21 : EMPLOYEE BENEFIT EXPENSES

Particulars	For the period 31.03.2021	For the period 31.03.2020
	Rs	Rs
Managerial Remuneration	8,216,129	8,400,000
Office Staff Salaries	11,906,761	16,143,658
Factory Wages & Salaries	28,791,245	31,176,460
Employees Benefit	3,935,849	5,552,693
Incentives	1,092,491	2,239,936
Gratuity Expenses	2,158,965	2,076,919
Contribution to P.F and E.S.I	3,619,172	4,528,683
<b>TOTAL</b>	<b>59,720,612</b>	<b>70,118,349</b>

**NOTE 22 : FINANCE COSTS**

Particulars	For the period	For the period
	31.03.2021	31.03.2020
	Rs	Rs
Interest Charges	148,642,739	156,289,553
Interest on Leased Assets	14,327,006	16,256,957
Other borrowing Charges	3,214,592	4,644,650
Bank and Finance Charges	261,007	313,963
<b>TOTAL</b>	<b>166,445,344</b>	<b>177,505,123</b>

**NOTE 23 : OTHER EXPENSES**

Particulars	For the period	For the period
	31.03.2021	31.03.2020
	Rs	Rs
Rates, Taxes, Licences & Fees	6,929,775	4,035,743
Printing & Stationery	652,425	698,462
Postage & Telephones	872,473	1,035,216
Office Electricity & Water	9,820,704	11,687,651
Travelling & Conveyance	1,056,585	1,889,120
Advertisement & Publicity	2,210,432	1,284,377
Agents commission	699,090	1,892,367
Selling Expenses	1,809,776	6,261,747
Insurance	3,419,664	3,044,628
Remuneration to Auditors :		
Audit Fees	450,000	450,000
Tax Audit Fees	-	-
Directors' Sitting Fees	255,000	285,000
Security Service Charges	-	263,306
Legal & Professional Charges	1,848,951	1,581,614
Repairs to Plant & Machinery	1,596,126	3,175,609
Repairs to Buildings	1,101,259	540,694
Repairs to Other Assets	1,953,123	3,319,796
Vehicle Maintenance	1,343,108	1,529,162
Miscellaneous Expenses	1,528,035	1,529,298
Loss on Sale of Assets	1,029,798	-
CSR Expenses	384,192	975,399
Provision for Trade Receivables	25,165,000	-
<b>TOTAL</b>	<b>64,125,516</b>	<b>45,479,189</b>

**NOTE 24: NOTES TO ACCOUNTS**

**I. Contingent Liability and Commitments** (to the extent not provided for)

**(a) Contingent Liability not provided for in respect of claims against the Company not acknowledge as debts:**

- (i). Counter Guarantee given to Bankers towards the Bank Guarantee Rs 49, 31,000/- Lakhs. (Previous year Rs.49,31,000/- Lakhs).
- (ii). **Export Obligation**

Particulars	Amount	Period (in yrs)	Ending On	Remarks
Export Obligation for concessional duty availed for import of machinery	9, 39, 30,216	8	07 <sup>th</sup> April 2018  ( After 2 <sup>nd</sup> Extension)	The Company has received approval from Director General Foreign Trade, New Delhi vide its order dated 01 <sup>st</sup> March, 2017 for extension in validity period for fulfilling the export obligation under the EPCG License granted to the Company for a further period of 2 years until 7 <sup>th</sup> April,2018. The Company has submitted its application for further extension of validity period for further period of 2 years.
	11,36,33,520	8	28 <sup>th</sup> November 2019  (2 year extended)	Director General, Foreign Trade has accorded approval to Company's request for extension in validity of license for a further period of Two Years until 28 November 2021 for fulfilling export obligation under the said EPCG Authorization.The Company has paid the requisite fees as stipulated in the approval letter, and is now awaiting formal letter for grant of extension from DGFT office.

**24.(iii). Income Tax Matters**

Assessment year	Amount Outstanding as on 31.03.21	Amount Outstanding as on 31.03.20	Appeal Pending with
2009-10	-	88,36,190	Appeal filed before ITAT by the Company was allowed. Subsequently AO has raised a fresh demand for payment of tax against the Company. Aggrieved by this order the Company has filed an appeal before CIT Appeals – IV on 29.04.2016 and the same was allowed in its favor. Consequently, department has preferred an appeal before ITAT, which has been decided in favor of the Company. Consequential Order based on ITAT decision in the appeal is awaited from the Assessing Officer.
2019-20	23,52,210	-	National Faceless Appeals Centre

**(b) Labour Court Award**

Labour Court III, Hyderabad had passed an award vide G.O.Rt.No.223 dated 23 March 2017 in I.D.No.17 of 2010, in favor of Balaji Vishnu Patil ex-employee working under job worker at the Company's Rajapoor Unit and directed

the Company to pay an amount of Rs.2,50,000/- towards retrenchment compensation in lieu of the reinstatement to Balaji Vishnu Patil. The Company has preferred an appeal before AP & Telangana High Court, Hyderabad bearing reference No. WPMP No.31873 of 2017 in WP No.25695 of 2017 against the said award. High Court has granted interim stay vide its order dated 02 August 2017 on the condition the Company depositing one third of the awarded amount and the Company has complied with the condition.

**(c) Commitments**

Estimated amount of liability on account of Capital Commitments of Rs Nil. (Previous year Rs Nil).

**24.2.(a) Raw Materials Consumed**

Type of Raw Material	Year 2020-2021	Year 2019-2020
(a) Grey Cloth	95,54,458	10,22,49,168
(b) Others	7,14,17,328	4,93,46,006
<b>TOTAL</b>	<b>8,09,71,786</b>	15,15,95,175

**(b) Trading Goods Purchased**

Type of Trading Goods	Year 2020-2021	Year 2019-2020
Textile Fabrics	53,29,303	93,51,926
Others	13,56,932	61,90,601
<b>TOTAL</b>	<b>66,86,235</b>	1,55,42,527

**(c) Turnover**

Particulars	Year 2020-2021	Year 2019-2020
<b>(i) Manufactured Goods</b>		
Textile Fabrics	8,40,30,823	25,11,13,101
Others	3,11,57,315	4,06,46,325
<b>SUB-TOTAL (A)</b>	<b>11,51,88,138</b>	29,17,59,426
<b>(ii) Traded Goods</b>		
Textile Fabrics	5,32,41,268	31,51,29,686
Others	1,85,84,007	2,18,51,638
<b>SUB-TOTAL (B)</b>	<b>7,18,25,275</b>	33,69,81,324
(iii) Export Sale	7,02,145	-
<b>SUB-TOTAL (C)</b>	<b>7,02,145</b>	-
<b>GRAND TOTAL (A+B+C)</b>	<b>18,77,15,558</b>	62,87,40,750
Less: Discount	5,48,082	7,85,175
<b>TOTAL TURNOVER</b>	<b>18,71,67,476</b>	62,79,55,575

**(d) Stock**

Opening Inventory	Year 2020-2021	Year 2019-2020
<b>(i) Manufactured Goods</b>		
Textile Fabrics	76,51,04,880	70,27,99,414
Others	6,22,07,748	6,04,86,112
<b>(ii) Trading Goods</b>		
Textile Fabrics	28,54,51,877	44,33,68,826
Others	4,11,48,101	4,12,56,525
<b>TOTAL</b>	<b>115,39,12,606</b>	124,79,10,877

Closing Inventory	Year 2020-2021	Year 2019-2020
<b>(i) Manufactured Goods</b>		
Textile Fabrics	62,99,91,693	76,51,04,880
Others	5,94,12,008	6,22,07,748
<b>(ii) Trading Goods</b>		
Textile Fabrics	32,90,95,757	28,54,51,877
Others	3,50,30,201	4,11,48,101
<b>TOTAL</b>	<b>105,35,29,659</b>	<b>115,39,12,606</b>

**a. Expenditure in Foreign Currency**

Particulars	Year 2020-2021	Year 2019-2020
Travelling Expenses	Nil	Nil

**24.3. Earnings of Foreign Currency**

Particulars	Year 2020-2021	Year 2019-2020
FOB value of Exports	18,24,909	15,54,455

**24.4. Employee Benefits:**

As per Ind AS-19 "Employee Benefits", the disclosures of Employee Benefits in the Accounting Standard are given below:

**Defined Contribution Plan:**

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Company has recognized Rs. 27.79 Lakhs (Year ended 31 March, 2020 Rs. 33.45 lakhs) towards Provident Fund contributions and Rs. 8.40 Lakhs (Year ended 31 March, 2020 Rs. 11.84) for the Employee State Insurance Scheme contribution in the statement to Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

**Defined Benefit Plan:**

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognized each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit to build up the final obligation. Reconciliation of opening and closing balances of Defined benefit obligation as below:

<b>Particulars</b>	<b>Year 2020-2021</b>	<b>Year 2019-20</b>
<b>I. Assumptions</b>		
Discount Rate (per annum)	6.88%	6.71%
Expected Rate of Return on Plan Assets	6.88%	6.71%
Salary Growth Rate (per annum)	8.00%	8.00%
<b>II. Table Showing Change in Benefit Obligation</b>		
Liability at the beginning of the year	1,43,37,893	1,41,90,697
Interest Cost	8,31,955	10,14,516
Current Service Cost	13,37,311	13,95,436
Benefit Paid	(38,78,329)	(18,47,692)
Actuarial (gain)/loss on obligations	(9,90,894)	(4,15,064)
Liability at the end of the year	1,16,37,936	1,43,37,893
<b>III. Tables of Fair value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the Period	35,72,173	52,78,933
Expected Return on Plan Assets	1,15,302	3,33,033
Contributions	1,70,690	-
Benefit Paid	(38,78,329)	(18,47,692)
Actuarial gain/(loss) on Plan Assets	32,094	(1,85,428)
Fair Value of Plan Assets at the end of the year	8,590	35,72,173
Total Actuarial Gain/(Loss) to be Recognized	10,22,988	2,29,636
<b>IV. Actual Return on Plan Assets:</b>		
Expected Return on Plan Assets	(1,15,302)	3,33,033
Actuarial gain/(loss) on Plan Assets	32,094	(1,85,428)
Actual Return on Plan Assets	1,47,395	1,47,605
<b>V. Amount Recognized in the Balance Sheet</b>		
Liability at the end of the year	1,16,37,936	1,43,26,253
Fair Value of Plan Assets at the end of the year	8,590	35,72,173
Difference	1,16,29,346	1,07,54,080
Net Assets/(Liabilities) Recognized in the Balance Sheet	1,16,29,346	1,07,54,080

Particulars	Year 2020-2021	Year 2019-20
<b>VI. Expenses Recognized in the Statement of Profit and Loss</b>		
Current Service Cost	13,37,311	13,95,436
Interest Cost	8,31,955	10,14,516
Expected Return on Plan Assets	(1,15,302)	(3,33,033)
Net Actuarial (Gain)/Loss to be Recognized	(10,22,988)	(2,29,636)
Expense Recognized in P&L	10,30,977	18,47,283
<b>VII. Balance Sheet Reconciliation</b>		
Opening Net Liability	1,43,37,893	1,41,90,697
Expense as above	10,30,977	18,47,283
Employer's Contribution	(1,70,690)	(17,00,087)
Amount Recognized in Balance Sheet	1,16,37,936	1,43,37,893

Borrowing cost capitalized during the year on various assets is Rs. Nil. (Previous year Nil).

**24.5.** The Company's operations mainly consist of only one segment—Textile Fabrics and therefore the figures as above relate to that segment.

#### **24.6. Fair Value Hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates.

Level 3: Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Fair value hierarchy				
Particulars	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		Level 1	Level 2	Level 3
<b>31-Mar-21</b>				
<b>Financial Asset</b>	-	-	-	-
<b>Financial Liability</b>				
<b>Borrowings</b>	30,06,67,922	30,06,67,922	-	-
<b>Total</b>	30,06,67,922	30,06,67,922	-	-
<b>31-Mar-20</b>				
Financial Asset	-	-	-	-
Financial Liability				
Borrowings	27,60,36,987	27,60,36,987	-	-
Total	27,60,36,987	27,60,36,987	-	-



**24.7. Related Parties Disclosures:**

Information of Related Party Transactions as required by Ind AS-24 on “Related Party Disclosures” for the year ended 31<sup>st</sup> March, 2021:

**A. List of Related Parties**

**(I) Directors and their Relatives**

Shri Vijay Kumar Gupta  
Shri Susheel Kumar Gupta  
Smt. Shashikala Gupta

**(II) Key Managerial Person**

Smt. Neha Kankariya, Company Secretary (From : 13.02.2021)  
Smt. Haritha Varanasi Company Secretary (Up to 13.02.2021)  
Shri S.Nagarajan , Company Secretary (Up to 31.08.2020)

**(III) Director’s Interest**

Vijay Racing Farms Private Limited  
Vijay Infotech Ventures

**B. Transactions/balances outstanding with Related parties:**

**1) For the Year 2020-2021:**

Sl. No	Transactions / Outstanding balances	Directors / Relatives	Director’s interest in firm / Company	Key Managerial Personnel / Relatives	Total
1	Remuneration	82,16,129	-	8,84,523	91,00,652
2	Rent / Lease	31,09,440	-	-	31,09,440
3	Interest on Unsecured Loan	2,08,32,041	-	-	2,08,32,041
4	Unsecured Loan – Taken	19,61,94,005	-	-	19,61,94,005
5	Unsecured Loan – Repaid	10,50,45,869	-	-	10,50,45,869
6	Amount payable at the year end	17,75,65,531	-	-	17,75,65,531
7	Unsecured Loans Outstanding as at 31.03.2021	1,15,71,83,829	-	-	1,15,71,83,829

**2) For the Year 2019-2020:**

Sl. No	Transactions / Outstanding balances	Directors / Relatives	Director’s interest in firm / Company	Key Managerial Personnel / Relatives	Total
1	Remuneration	84,00,000	-	19,20,000	1,03,20,000
2	Rent / Lease	31,09,440	-	-	31,09,440
3	Interest on Unsecured Loan	3,85,52,752	-	-	3,85,52,752

Sl. No	Transactions / Outstanding balances	Directors / Relatives	Director's interest in firm / Company	Key Managerial Personnel / Relatives	Total
4	Unsecured Loan – Taken	36,00,89,488	-	-	36,00,89,488
5	Unsecured Loan – Repaid	21,91,73,306	-	-	21,91,73,306
6	Amount payable at the year end	14,74,00,236	-	-	14,74,00,236
7	Unsecured Loans Outstanding as at 31.03.2020	1,06,60,35,692	-	-	1,06,60,35,692

**24.8.Assets taken on Lease**

- (a) The Company's Lease Agreement is in respect of Building at Ameerpet, Kukatpally, Dilsukhnagar, Secunderabad and A.S. Rao Nagar show rooms. The Leasing arrangement is for a longer period and renewable by mutual consent on mutually agreeable terms.
- (b) Future minimum lease rentals payable as per the lease agreements:

Sl No.	Particulars	As at 31.03. 2021*	As at 31.03. 2020
(i)	Not Later than one year	3,13,79,631	2,92,77,414
(ii)	Later than one year but not later than 5 years	7,87,06,949	10,14,52,950
(iii)	Later than five years	2,02,19,772	2,48,20,751

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

**24.9.Deferred Tax:**

The breakup of Deferred Tax Liability as on 31<sup>st</sup> March, 2021 is as follows:

Particulars	As at 31.03. 2021	As at 31.03. 2020
<b>Deferred tax Liability arising on account of</b>		
Difference between accounting base and tax base of property, plant and equipment and Intangible Asset	(9,03,20,510)	(12,23,39,422)
Provision for debtors	63,33,527	-
Unamortised provision Cost	3,791	45,742
Provision for Lease Liability	1,97,13,321	2,56,29,789
Interest accrued and due	2,14,68,930	-
Provision for Gratuity	48,41,311	27,96,061
Unused Tax Losses	6,61,24,451	60,66,593
Other comprehensive income	(2,57,466)	(59,705)
<b>Net Deferred Tax Asset/(Liability)</b>	<b>2,79,07,355</b>	<b>(8,78,60,942)</b>

**24.10.** 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.

**24.11. Earnings Per Share**

Particulars	Year 2020 -21	Year 2019 -20
<b>Earnings</b>		
Net profit / (Loss) for the period	(23,88,29,917)	(5,74,55,693)
<b>Shares</b>		
Weighted average number of equity shares outstanding during the period	1,77,43,301	1,52,90,000
<b>Earnings per share of par value Rs.10/- Basic (Rs)</b>	(13.46)	(3.76)
Weighted average number of equity shares outstanding during the period for Diluted EPS	1,77,43,301	1,97,20,000
<b>Earnings per share of par value Rs.10/- Diluted (Rs)</b>	(13.46)	(2.91)

**24.12.** In accordance with the Ind AS -39 on "Impairment of Assets" the management during the year carried out exercise of identifying the assets that might have been impaired in respect of each cash-generating unit. On the basis of this review carried out by the management there was no impairment loss on the fixed assets during the year ended 31<sup>st</sup> March 2021.

**24.13.** Letters have been written for confirmation of debit and credit balances pertaining to debtors and creditors and reply from the parties is awaited.

**24.14.** Resurgence of second wave of COVID 19 Pandemic has further affected the business and Industry alike. Recovery from first wave itself is taking longer time for the businesses to revive and regain normalcy in operations. Government during this period had resorted to several restrictions and imposed lockdowns thus affecting overall operations of the businesses. As a matter of fact, the Company continues to reel under the impact of second wave which has further made serious and severe dent on its working leading to drastic reduction in its revenue from operations and the profitability.

The Company is continuously monitoring the situation and taking necessary actions in response to the developments to minimize the impact and to safeguard the assets and employees. The Company has considered relevant internal and external sources of information to evaluate the impact on the financial statements for the year ended 31<sup>st</sup> March 2021. The Company has assessed the recoverability of the assets including receivables, investments, property plant and equipment, intangible assets, Assets held for sale, and it is estimated that there is no effect on these assets. However, the actual impact may be different from that estimated as it will depend upon future developments and future actions to contain or treat the disease and mitigate its impact on the economy.

**24.15.** Previous year's figures have been re-grouped and re-arranged wherever necessary so as to make them comparable with the current year.

**As per our Report of even date attached**

**for LAXMINIWAS & CO**

Chartered Accountants

Firm's Registration Number:011168 S

Sd/-

**Vijay Singh**

Partner

Membership No:221671

**For and on behalf of the Board of Directors of  
Vijay Textiles Limited**

CIN : L18100TG1990PLC010973

Sd/-

**Vijay Kumar Gupta**

Chairman & Managing Director

DIN:01050958

Sd/-

**Susheel Kumar Gupta**

Executive Director & CFO

DIN:00362714

Sd/-

**Neha Kankariya**

Company Secretary

Place: Hyderabad

Date: 30/06/2021



*If undelivered, Please return to* \_\_\_\_\_



**Corporate Office:**

Surya Towers, Ground Floor, 104, Sardar Patel Road,  
Secunderabad, Telangana - 5000 003.

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