

26<sup>TH</sup>  
ANNUAL REPORT  
2015 - 2016



TEXTILES LTD.

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

Furnishings... Simply incredible!

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

<b>Shri Vijay Kumar Gupta</b>	: Chairman and Managing Director
<b>Shri Susheel Kumar Gupta</b>	: Executive Director
<b>Shri R.Malhotra</b>	: Finance Director and Chief Financial Officer
<b>Shri M. Srikanth Reddy</b>	: Independent Director
<b>Shri Sanjeev Kumar Agarwal</b>	: Independent Director (resigned w.e.f 28.07.2016)
<b>Smt Kamini Gupta</b>	: Independent Director
<b>Smt CA Alka Zanwar</b>	: Independent Director (appointed w.e.f 28.07.2016)
<b>Shri CA Penmestsra Vikram</b>	: Independent Director (appointed w.e.f 28.07.2016)

**Company Secretary**

Shri S. Nagarajan

**Statutory Auditors**

M/s. Laxminiwas & Co.,  
Chartered Accountants  
402, 4th Floor, Moghul's Court,  
Basheer Bagh, Hyderabad - 500 001

**Internal Auditors**

M/s. Sankaran & Krishnan,  
Chartered Accountants,  
Plot No: 80, Devi Residency,  
Flat No:302, Telecom Nagar  
Gachibowli, Hyderabad - 500 032

**Secretarial Auditor**

CS. Ajay Kishen  
Company Secretary  
2nd Floor, Kishen's Residency  
H.No:4-I-1239/3 & 4, King Koti  
Hyderabad - 500 001

**Bankers****State Bank of India**

Industrial Finance Branch  
Somajiguda, Hyderabad-500 082

**Axis Bank Limited**

Begumpet, Hyderabad-500 016

**State Bank of Hyderabad**

Industrial Finance Branch  
"Topaz", Amrutha Hills, Punjagutta, Hyderabad - 500 082

**Registrars & Transfer Agents**

Aarthi Consultants Private Limited  
1-2-285, Domalguda, Hyderabad-500 029.

**Registered Office**

Surya Towers, Ground Floor  
104, Sardar Patel Road, Secunderabad - 500 003  
Email :info@vijaytextiles.in  
CIN: LI8100TG1990PLC010973

**Factory:**

Survey No: 139 to 141 & 143  
Village: Rajapoor  
Mandal: Balanagar,  
District: Mahaboobnagar  
Telangana - 509 202

**Wholesale Depot:**

Plot No: 46, Road No: 12  
APIIC, Katedan,  
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/I, Kothapet, Dilsukhnagar,  
Hyderabad - 500060
5. D. No. 19-94/I, Survey No: 466,  
Housing Colony, A.S.Rao Nagar,  
Secunderabad - 500062

**NOTICE OF THE 26TH  
ANNUAL GENERAL MEETING**



**TEXTILES LIMITED**

NOTICE is hereby given that the 26th Annual General Meeting of the Members of **VIJAY TEXTILES LIMITED** will be held on Thursday, the **29th September, 2016 at 11.00 A.M.** at FTAPCCI Auditorium, The Federation of Telangana and Andhra Pradesh Chamber of Commerce & Industry, The Federation House, 11-9-84, Red Hills, Hyderabad- 500 004 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2016 and the Statement of Profit and Loss for the year ended as on that date along 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 has been appointed as whole time Director and who retires by rotation and being eligible, offer himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution relating to ratification of appointment of Statutory Auditors of the Company:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other rules framed there under, as amended from time to time, the appointment of M/S Laxminiwas & Co., Chartered Accountants (Firm Registration No: FRN 011168S) as Auditors of the Company for a period of three consecutive years, made at the 24th Annual General Meeting (AGM), be and is hereby ratified for the period from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting at such remuneration as may be decided by the Board of Directors of the Company".

**SPECIAL BUSINESS:**

4. 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 197 read with Schedule V to the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Rules prescribed there under and subject to approval of the Central Government and such other permissions, sanctions and consents, if any, consent of the Members of the Company be and is hereby accorded to increase the remuneration of Shri. Vijay Kumar Gupta, (DIN:01050958) Chairman and Managing Director of the Company to ₹ 3,50,000/- (Rupees Three Lakhs and Fifty Thousand Only) per month inclusive of all allowances with effect from 01.04.2016 to 31.03.2019 (being the unexpired period of his tenure as Chairman and Managing Director)."

"RESOLVED FURTHER THAT, in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Shri. Vijay Kumar Gupta (DIN:01050958) the 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 of 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."

5. 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, 203 and any other applicable provisions, if any, of the Companies Act 2013, read with Schedule V (as amended from time to time) the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to approval of the Central Government and such other permissions, sanctions, and consents, if any, consent of the Members of the Company be and is hereby accorded for re-appointment of Shri. Susheel Kumar Gupta (DIN 00362714) as the Executive Director for a period of Five years with effective from 1st April 2016 to 31st March 2021 at a remuneration of ₹ 3,50,000/- per month (Rupees Three Lakhs and Fifty Thousand Only) inclusive of all allowances".

"RESOLVED FURTHER THAT, in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Shri. Susheel Kumar Gupta the 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 of 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 do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the resolution and delegate to any Director or any officer of the Company for obtaining necessary permission and approvals, if any, in this connection from Government and / or any authorities".

6. 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 197 read with Schedule V to the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Rules prescribed there under and subject to approval of the Central Government and such other permissions, sanctions and consents, if any, consent of the Members of the Company be and is hereby accorded to increase the remuneration of Shri. R. Malhotra, (DIN:05242639) Finance Director of the Company to ₹ 1,60,000/- per month (Rupees One Lakh Sixty Thousand Only) inclusive of all allowances with effect from 1st April 2016 to 31st March 2017 (being the unexpired period of his tenure as Finance Director)".

"RESOLVED FURTHER THAT, in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Shri. R. Malhotra, (DIN:05242639) the 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 of 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."

7. 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 149, 152 of the Companies Act, 2013 and rules made there under, Mrs. CA Alka Zanwar (holding DIN 07577453), who was appointed as 'Additional Director' in the Board

of the Company on 28th July, 2016 pursuant to the provision of Section 161 (1) of the Companies Act, 2013 ("the Act") read with Articles of Association of the Company, and whose term of office expires at the ensuing Annual General Meeting of the Company, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mrs. CA Alka Zanwar as a candidate for the office of a Director of the Company who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years commencing from the date of his appointment as Additional Director i.e. 28th July, 2016 up to the conclusion of Annual General Meeting (AGM) to be held in the calendar year 2021 or 27th July, 2021, whichever is earlier".

8. 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 149, 152 of the Companies Act, 2013 and rules made there under, Shri. CA Penmetsa Vikram (holding DIN 07577396), who was appointed 'Additional Director' in the Board of the Company on 28th July, 2016 pursuant to the provision of Section 161 (1) of the Companies Act, 2013 ("the Act") read with Articles of Association of the Company, and whose term of office expires at the ensuing Annual General Meeting of the Company, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri. CA Penmetsa Vikram as a candidate for the office of a Director of the Company who meets the criteria of

Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years commencing from the date of his appointment as Additional Director i.e. 28th July, 2016 up to the conclusion of Annual General Meeting (AGM) to be held in the calendar year 2021 or 27th July, 2021, whichever is earlier".

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

"RESOLVED THAT pursuant to provisions of Section 5 read with Section 14 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the new draft Articles as contained in the Articles of Association be and are hereby approved and adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution, be and are hereby severally authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

10. 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 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-enactment



thereof, for the time being in force), consent of the Members be and is hereby accorded ratifying the remuneration as set out in the explanatory statement payable 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 31st March, 2017".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT in terms of Sections 42, and 62(1)(c) of the Companies Act, 2013 and all other applicable provisions, if any, (including any statutory modification(s) or re-enactments thereof for the time being in force), Memorandum and Articles of Association of the Company, Listing Agreement entered into by the Company with Stock Exchange where the Company's shares are listed and in accordance with the provisions of the SEBI (Issue of Capital and Disclosures Requirements) Regulation 2009, as may be applicable to the preferential issue of Equity shares and other applicable regulations of SEBI, if any and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include any Committee thereof for the time being to which all or any of the powers hereby conferred on the Board by this resolution, have been delegated) and subject to such, consents and approvals of SEBI, Stock Exchanges, Government of India, or such other bodies or authorities as may be required by law and as may

be necessary and subject to such conditions and modifications as may be imposed upon and accepted by the Board while granting such consents and approvals and which may be agreed to by or any other authorities as may be necessary for that purpose, the consent of the members of the Company be and is hereby accorded to the Board to offer, issue, and allot in one or more trenches to the Promoters and others up to 25,00,000 Equity shares of ₹ 10/- each in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the Securities & Exchange Board of India ("SEBI") ICDR (Issue of Capital and Disclosure Requirements) Regulations 2009 (including any amendments thereto or re-enactment thereof) or other provisions of law as may be prevailing at the time, provided that the price of the equity shares so issued shall not be less than the minimum price to be arrived at in accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations."

"RESOLVED FURTHER THAT the pricing of the Equity Shares to be allotted will be in accordance with the SEBI (ICDR) Regulations with reference to the 'Relevant Date.' The "relevant date" for the purpose of pricing of equity share is considered thirty days prior to the date of this Annual General Meeting i.e., 30th August, 2016 as per provisions of Regulation 71 of Chapter VII of SEBI (ICDR) Regulation, 2009 for Preferential Issue on such further terms and conditions as may be approved by the Board of Directors. "

"RESOLVED FURTHER THAT the new equity shares issued shall rank pari-passu with the existing Equity Shares of the Company in all respects and that the equity shares so allotted during the financial year shall be entitled to the dividend, if any, declared including other corporate benefits, if any, for which the book closure or the Record Date falls subsequent to the allotment of Equity Shares."

"RESOLVED FURTHER THAT the aforesaid equity shares allotted in terms of this resolution shall be subject to lock-in requirements as per the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009 and any amendment thereto from time to time."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to modify and decide the price, terms and conditions of the Issue of equity shares, if necessary, keeping in view the provisions of various Acts and Guidelines in force from time to time."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such condition(s), modification(s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to such modification(s) and to resolve and settle all questions, difficulties or doubts that may arise in this regard to implementation of this Resolution, issue and allotment of equity shares and to do all acts, deeds and things in connection therewith and incidental thereto without being required to

seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Company does apply for listing of the new equity shares and does make an application to the Depositories for admission of the new equity shares."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any other officer or officers of the Company to give effect to the aforesaid resolutions."

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

Place : Secunderabad  
Date : 28.07.2016

**S Nagarajan**  
Company Secretary

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

## **NOTES FOR MEMBERS ATTENTION:**

1. A member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members

and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith

2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the



Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.

3. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
4. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance slip for attending the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
6. The Company has already notified Closure of the Register of Members and Transfer Books from Saturday, the 24th September, 2016 to Thursday, 29th September, 2016 (both days inclusive) for the purpose of Annual General Meeting.
7. Members who hold shares in Physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the Shares Certificates to the Company's Registrars and Transfer Agents, M/s. Aarthi Consultants Pvt Limited, for consolidation into a single folio.
8. Non-Resident Indian Members are requested to inform the Company's Registrars and Transfer Agents, M/s. Aarthi Consultants Private Limited, immediately of :
  - a) The Change in the Residential status on return to India for permanent settlement.
  - b) The particulars of the Bank Account, maintained in India, with complete name, branch, account type, account number and address of Bank, with PIN Code Number, if not furnished earlier.
9. Members desirous of obtaining any information concerning the accounts/operations of the Company are requested to send their queries at

least seven days before the date of the meeting, to the Company so that information required may be made available at the meeting.

10. The Shares of the Company continue to be listed on the stock exchange at Bombay Stock Exchange Limited, the Company has paid up to date all the listing fees to the Bombay Stock Exchange Limited.
11. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Special Business to be transacted at the Meeting is annexed hereto.
12. INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies Management and Administration Rules 2014, the Company is pleased its shareholders with facility to exercise their right to vote at the 26th Annual General Meeting (AGM) by electronic means and the Business may be transacted through e-voting services provided by Central Depository Services (India) Limited.

The Company has signed an Agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting to cast their vote electronically.

**1. THE INSTRUCTIONS FOR MEMBERS FOR VOTING ELECTRONICALLY ARE AS UNDER:-**

- (i) The voting period begins on 26th September, 2016 (9.00 A.M) and ends on 28th September, 2016 (5.00 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 23rd September, 2016 of may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

- (iii) Click on Shareholders.
- (iv) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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 voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</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 (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <**VIJAY TEXTILES LIMITED**> on which you choose to vote.

- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) 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.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- 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.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help Section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## 2. OTHER INSTRUCTIONS:

- (i) Since the Company is required to provide facility to the members to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form and not casting their vote electronically, may cast their vote at the Annual General Meeting.

- (ii) 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. 23rd September 2016.
- (iv) The Company has appointed M/s. S. S. Reddy & Associates, Practicing Company Secretaries Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.
- (v) 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.
- (vi) 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.

- (vii) If a Member casts votes by both modes, then voting done through e-voting shall prevail.
- (viii) 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 Bombay Stock Exchange Limited.

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

Sd/-

**S Nagarajan**  
Company Secretary

Place : Secunderabad

Date : 28.07.2016

**Registered Office :**

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

## **EXPLANATORY STATEMENT**

**Pursuant to Section 102(1) of the Companies Act, 2013.**

### **Item No 4:**

Shri. Vijay Kumar Gupta (DIN:01050958) was appointed as Chairman and Managing Director of the Company for a period of 5 years from 1st April 2014 to 31st March 2019 at the 24th Annual General Meeting held on 30th September 2014. Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 12th February 2016, approved the increase of remuneration of Shri Vijay Kumar Gupta, (DIN:01050958) Managing Director to ₹ 3,50,000 per month. He was drawing a

remuneration of ₹ 2,00,000/- during the financial year 2015-2016.

The Board of Directors recommends the passing of the above resolution as an Ordinary Resolution.

Save and except Shri. Vijay Kumar Gupta, (DIN:01050958) Chairman and Managing Director and Shri. Susheel Kumar Gupta, (DIN:00362714) Executive Director being his relative, none of the other Directors/Key Managerial Personnel and their relatives are in any way interested or concerned financially or otherwise, in the Resolution set out in the notice except to the extent of their shareholding.

**Item No 5:**

Shri. Susheel Kumar Gupta (DIN:00362714) was appointed as Executive Director of the Company for a period of five years with effect 1st April, 2011 to 31st March, 2016 at the 21st Annual General Meeting held on 2nd August 2011. His term of appointment has been expired on 31.03.2016. The Board of Directors at their meeting held on 12th February 2016 has approved his reappointment as Executive Director for a further period of five years with effect from 1st April 2016 to 31st March 2021.

Shri. Susheel Kumar Gupta (DIN:00362714) has been looking after the entire factory operations and also looking after the entire purchase requirements including major raw material for the factory operations. In addition to the above, he is also looking after the sales and marketing. Considering the above factors his association as Whole Time Director will benefit in the long run for the Company's performance and thus as said above it is proposed to reappoint him as Executive Director for a further period of 5 years from 1st April, 2016 to 31st March, 2021 at a monthly remuneration of ₹ 3,50,000/- per month inclusive of all allowances.

After considering the recommendations of Nomination & Remuneration Committee, the Board accorded its approval for his re-appointment subject to the approval of shareholders of the Company, the salary payable to Shri Susheel Kumar Gupta (DIN 00362714) is within the maximum limit of managerial remuneration (without the approval of the Central Government) till the expiry of his respective tenure.

It is therefore, proposed that the re-appointment and remuneration to Shri Susheel Kumar Gupta (DIN 00362714) as prescribed under Section 197 read with Schedule V to the Companies Act, 2013, be approved by the shareholders of the Company at this Annual General Meeting.

Save and except Shri. Susheel Kumar Gupta, Executive Director and Shri. Vijay Kumar Gupta, being his

relative, none of the other Directors/Key Managerial Personnel and their relatives are in any way interested or concerned financially or otherwise in the Resolution set out in the notice except to the extent of their shareholding.

**Item No 6:**

Shri. R Malhotra (DIN:05242639) was appointed as Finance Director of the Company for a period of five years from 1st April, 2012 to 31st March, 2017 at the 22nd Annual General Meeting held on 27th September, 2012. Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 12th February, 2016, approved the increase of remuneration of Shri R. Malhotra (DIN:05242639) to ₹ 1,60,000 per month. He was drawing a remuneration of ₹ 1,25,000/- during the financial year 2015-2016.

The Board of Directors recommends the passing of the above resolution as an Ordinary Resolution.

Save and except Shri R. Malhotra (DIN:05242639) Finance Director, none of the other Directors/Key Managerial Personnel and their relatives are in any way interested or concerned financially or otherwise, in the Resolution set out in the notice except to the extent of his shareholding, if any.

**Item No 7 and 8:**

Mrs. CA Alka Zanwar (DIN:07577453) and Shri. CA Penmetsa Vikram (DIN:07577396) were appointed as Additional Directors on 28th July, 2016 in terms of Section 161 (1) of the Companies Act, 2013 in the category of 'Non-Executive Independent'. In terms of the Companies Act, 2013, an Additional Director shall hold office up to the date of the next Annual General Meeting and be eligible for appointment to the office of a Director at any General Meeting in terms of Section 160 of the Companies Act, 2013. The Company has received a notice from a member under Section 160 of the Companies Act 2013, along with requisite deposit proposing the candidature of Mrs.

CA Alka Zanwar and Shri. CA Penmetsa Vikram for the office of Directors under the category of Independent Directors.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made there under and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mrs. CA Alka Zanwar and Shri. CA Penmetsa Vikram as 'Independent Directors' for a term up to 5 consecutive years commencing from the date of his appointment as Additional Director i.e. 28th July 2016 up to the conclusion of the Annual General Meeting (AGM) to be held in the calendar year 2021 or 27th July 2021, whichever is earlier and pass the resolutions set out at Item No. 7 and 8.

Mrs. CA Alka Zanwar and Shri. CA Penmetsa Vikram have confirmed compliance with the criteria of Independence as provided under Section 149 (6) of the Act. Further, in the opinion of the Board Mrs. CA Alka Zanwar and Shri. CA Penmetsa Vikram fulfil the conditions specified in the Companies Act, 2013 and the Rules made there under, and they are independent of the Management, their continued association with the Company would be of benefit to the Company.

The Board of Directors recommends the Ordinary Resolution as set out at item no. 7 and 8 for approval of the Members.

None of the other Directors or Key Managerial Personnel of the Company and their relatives other than Independent Directors, Mrs. CA Alka Zanwar and Shri. CA Penmetsa Vikram are in way concerned or interested, financially or otherwise, their respective Resolutions.

**Item No 9: Alteration of Articles of Association of the Company.**

The Articles of Association of the Company ("Articles") as currently in force was adopted pursuant to the provisions under the Companies Act, 1956. The Companies Act, 1956 has been superseded by the

Companies Act, 2013. The references to specific Sections of the Companies Act, 1956 in the existing Articles of Association is hence to be amended to align the extant Articles with the provisions of the Companies Act, 2013 and rules there under.

Salient aspects of the proposed amended Articles:

Under the proposed amended Articles, salient aspects of Sections of Table-F of Schedule-I to the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares have been adopted. As mentioned in the previous Para, changes that are required to be carried out pursuant to the Companies Act, 2013 and rules there under coming into force have been duly carried out.

The resolution as set out in item No.9 has been recommended by the Board of Directors for approval of the Members by special resolution.

The proposed new draft of Articles of Association is also available for inspection by the Members at the Registered Office of the Company on any working day excluding public holidays and Sunday from the date here up to 28th September, 2016.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way are concerned or interested, financially or otherwise, in the Special Resolution set out at item No.9 of the Notice.

**Item No 10: Ratification of appointment and payment, of remuneration to the Cost Auditor for the financial year 2016-2017:**

The Board of Directors, 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 31st March, 2017 to conduct the audit of cost records and fixed their remuneration at ₹ 30,000/- (Rupees Thirty Thousand Only) plus service tax, out of pocket and other expenses 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 appointment and remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.10 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2017.

None of the Directors / Key Managerial Personnel and their relatives of the Company are, in any way, concerned or interested, financially or otherwise, in the resolution except to the extent of shares held by them.

**Item No. 11:**

The Special Resolution as mentioned under item 11 proposes to authorize the Board of Directors to issue and allot up to 25,00,000 equity shares to promoters and others in such manner and on such terms of conditions as prescribed under SEBI (ICDR) Regulations and in compliance with Sections 42 and 62 and other applicable provisions of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014.

As on 28.07.2016, Shri. Vijay Kumar Gupta, Promoter Director of the Company has brought in a sum of ₹ 47,19,45,000/- towards unsecured loan, of which a sum equivalent to the subscription of 10,00,000 equity shares is proposed to be converted into equity shares at such an issue price as may be determined in accordance with SEBI (ICDR) Regulations, 2009.

The Information pertaining to the proposed preferential allotment in terms of the Chapter VII of SEBI (ICDR) Regulations, 2009 and subsequent amendments there to be given below:

**(I) Object of the Issue through Preferential Allotment:**

To mobilize funds for current/future plans / activities directly of the Company, working capital and general corporate purposes, retirement of long term loans and to improve the net worth of the Company.

**(II) Pricing of the Issue and Relevant Date:**

The equity shares will be issued at such a price (including premium) not lower than the minimum price as stipulated in Chapter VII of SEBI (ICDR) Regulations (Regulation 76) i.e., the higher of the following:

- a. The average of the weekly high and low of the volume weighted average prices of the equity shares of the Company quoted on the recognised stock exchange during the 6 months / 26 weeks preceding the relevant date; or
- b. The average of the weekly high and low of the volume weighted average prices of the equity shares of the Company quoted on the recognised stock exchange during the 2 weeks preceding the relevant date.

"Relevant Date" in relation to the issue of equity shares in accordance with the SEBI (ICDR) Regulations, would be 30th August, 2016 being the date 30 days prior to the date of this Annual General Meeting where the proposed preferential issue is being considered for approval of the members.

A Certificate will be obtained from the Statutory Auditors / Practicing Company Secretary confirming the minimum price for the preferential issue as per Preferential Issue Guidelines in Chapter VII of SEBI (ICDR) Regulations, 2009 along with the calculation thereof and the same will be made available for inspection at the Registered Office of the Company.

**(III) The Proposal of the Promoters, or their Associates and Relatives, Directors/Key Managerial Person(s) of the issuer to subscribe to the offer:**

The proposed allottees would fall under Promoter and Public categories as mentioned under point No. (IV). The said allottees propose to subscribe for the above said equity shares. Out of the total issue of 25,00,000 equity shares, the promoters of the Company are subscribing to the extent of 20,00,000 Equity shares and the balance will be given to the public category. The requirement of issue of securities on preferential basis is necessitated to fulfil the objects as mentioned in point No. (I).

**(IV) Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control; the proposed allottees and percentage or pre and post preferential issue capital that may be held by them:**

**List of proposed allottees:** All the proposed allottees as furnished in the table are the ultimate beneficial owners of the shares.

Sl. No.	Name of the proposed allottee and ultimate beneficial owner	Pre issue holding Shares	Equity shares proposed to be allotted	Post issue holding Shares
<b>PROMOTER CATEGORY (A)</b>				
1	Vijay Kumar Gupta	34,98,016	10,00,000	44,98,016
2	Susheel Kumar Gupta	21,79,699	10,00,000	31,79,699
	<b>SUB TOTAL (A)</b>	<b>56,77,715</b>	<b>20,00,000</b>	<b>76,77,715</b>
<b>NON-PROMOTER CATEGORY (B)</b>				
1	Ravi Puri	-	5,00,000	5,00,000
	<b>SUB TOTAL (B)</b>	<b>-</b>	<b>5,00,000</b>	<b>5,00,000</b>
	<b>GRAND TOTAL (A+B)</b>	<b>56,77,715</b>	<b>25,00,000</b>	<b>81,77,715</b>

**(V) Shareholding pattern before and after preferential issue of the capital would be as follows:**

Sl. No.	CATEGORY	Pre issue holding details		Post issue holding details	
		No. of shares	% of shares	No. of shares	% of Shares
<b>A</b>	<b>Promoter Share Holding</b>				
1	Indian Promoters	68,80,045	59.83	88,80,045	63.43
2	Foreign Promoters	-	-	-	-
	<b>Sub-Total (A)</b>	<b>68,80,045</b>	<b>59.83</b>	<b>88,80,045</b>	<b>63.43</b>
<b>B.</b>	<b>Public Share holding</b>				
1	Institutions	-	-	-	-
2	Non-Institutions	-	-	-	-
(i)	Bodies Corporate	3,99,895	3.48	3,99,895	2.86
(ii)	Individuals	41,50,756	36.09	41,50,756	29.65
(iii)	NRIs	21,266	0.18	5,21,266	3.72
(iv)	Clearing Members	48,038	0.42	48,038	0.34
	<b>Sub-Total (B)</b>	<b>46,19,955</b>	<b>40.17</b>	<b>51,19,955</b>	<b>36.57</b>
	<b>Grand Total (A+B)</b>	<b>1,15,00,000</b>	<b>100.00</b>	<b>1,40,00,000</b>	<b>100.00</b>

**(VI) No. of persons to whom allotment on preferential basis has already been made during the year, in terms of no. of securities as well as price:**

During the year no preferential allotment has been made.

**(VII) Justification for the allotment proposed to be made for consideration other than cash together with valuation report of registered valuer:**

Not applicable as the shares are proposed to be allotted for consideration of cash.

**(VIII) Proposed time within which the allotment shall be completed:**

The allotment of equity shares shall be completed, within a period of 15 days from the date of passing of the resolution by the shareholders provided, that where the allotment is pending on account of pendency of any approval from any regulatory authority including SEBI, the allotment shall be completed by the Company within a period of 15 days from the date of such approvals.

**(IX) Approvals:**

The Company will take necessary steps to obtain the required approvals from the Stock Exchanges, SEBI, or any other regulatory agency as may be applicable, for the proposed preferential issue of equity shares.

**(X) SEBI Takeover code:**

In the present case none of the proposed allottees would attract SEBI Takeover Code and therefore is not under obligation to give open offer to the public except making certain disclosures to Stock Exchanges.

**(XI) Holding of shares in demat form, non-disposal of shares by the proposed allottees and lock-in period of shares:**

The entire shareholding of the proposed

allottees in the Company, if any, is held by them in dematerialized form. The entire preferential allotment shareholding of such allottees shall be under lock-in from the relevant date up to a period of six months from the date of trading approval from all the stock exchanges where the securities of the Company are listed. The shareholder who has sold their shares during the six months period prior to the relevant date shall not be eligible for allotment of equity shares on preferential basis. The proposed shareholders have Permanent Account Number.

**(XII) Lock -in Period:**

The equity shares proposed to be allotted shall be subject to 'lock-in' for such a period as the case may be from the date of trading approval from all the stock exchanges where the securities of the Company are listed as per Regulation 78 of the SEBI (ICDR) Regulations, 2009.

**(XIII) Auditor Certificate:**

Certificate from the Statutory Auditors / Practicing Company Secretary confirming that the proposed issue of equity shares is being made in accordance with the SEBI (ICDR) Regulations, 2009 will be/is obtained and the same will be made available for inspection at the Registered Office of the Company on any working day.

**(XIV) Control:**

As a result of the proposed preferential allotment of equity shares, there will be no change in the composition of the Board of Directors and control of the Company.

**(XV) Undertakings:**

In terms of SEBI (ICDR) Regulations, 2009 issuer hereby undertakes that:

- a) It shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.

- b) If the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continued to be locked in till the time such amount is paid by the allottees.

**(XVI)Compliances:**

The Company has complied with the requirement of listing agreement including regulation 38 i.e., maintaining minimum public shareholding.

**(XVII)Approval under the Companies Act:**

Section 62(1) of the Companies Act, 2013 provides, inter alia, that whenever it is proposed to increase the subscribed capital of a Company by further issue and allotment of shares, such shares shall be first offered to the existing shareholders of the Company in the manner laid down in the said Section, unless the shareholders decide otherwise in General Meeting / Postal Ballot by way of special resolution.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 62(1) of the Companies Act, 2013 and all other applicable provisions, SEBI Guidelines or regulations and the provisions of the Listing Agreement with the Stock Exchanges for

authorizing the Board to offer, issue and allot equity shares as stated in the resolution, which would result in a further issuance of securities of the Company to the promoters and others on a preferential allotment basis, in such form, manner and upon such terms and conditions as the Board may in its absolute discretion deem fit.

The Board of Directors recommends the passing of the above resolution as a Special Resolution as set out in the Notice.

Except the Directors, Shri. Vijay Kumar Gupta, Chairman and Managing Director and Shri. Susheel Kumar Gupta, Executive Director, none of the other Directors, key managerial personnel and their relatives are concerned or interested in the above said resolution.

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

Sd/-  
**S Nagarajan**  
Company Secretary

Place : Secunderabad  
Date : 28.07.2016

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

Dear Members,

Your Directors have pleasure in presenting the 26th Annual Report and the Audited Statement of Accounts of the Company for the Financial Year ended 31st March 2016.

### FINANCIAL RESULTS

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

(₹ in Lakhs)

Particulars	2015-2016	2014-2015
Total Revenue from operations	<b>10,853.21</b>	8,960.00
Profit Before Tax	<b>107.64</b>	(1,957.18)
Less: Taxation		
a. Provision for Taxation - Current Year	<b>0.00</b>	0.00
b. Deferred Tax	<b>7.02</b>	(30.31)
Profit / (Loss) After Tax	<b>100.62</b>	(1,926.87)
Add: Profit brought forward from last year	<b>(1,228.84)</b>	754.04
Total available for appropriations	<b>(1,128.22)</b>	(1,172.83)
Less: Adjustment Relating to Fixed Assets	<b>0.00</b>	56.01
Balance carried forward to Balance Sheet	<b>(1,128.22)</b>	(1,228.84)

### OPERATIONS

Your Company has performed fairly well during the year under review and achieved sales and other income of ₹ 10853.21 Lakhs and a net profit of ₹ 100.62 Lakhs as compared to sales and other income of ₹ 8960.00 Lakhs and net loss of ₹ 1926.87 Lakhs achieved in the last financial year.

### PERFORMANCE AND FUTURE OUTLOOK

Notwithstanding the general slowdown in the market and adverse market conditions, performance of your Company is considered reasonably better with overall improvement in sales and profitability. Increased focus on innovation in its embroidered fabrics and finding new markets for its new range of products has helped your Company to a great extent in bringing overall improvement. Your Company has made concerted efforts to tap the potential available in the untapped markets and it has given the right impetus to boost overall sales turnover.

Outlook for the current financial year seemingly looks better and your Company, as done last year, has plans to maintain its strategy for aggressive marketing of its new range of embroidered products, which have a very good demand in the contemporary markets. More and more new areas are being explored in order to expand the reach and further penetrate into the markets which have not been touched earlier. Aggressive marketing strategy includes offering better and competitive pricing to the dealers albeit with a shorter credit period in order to improve the cash flows. Your Company is quite hopeful of further improving and excelling its performance in the current financial year.

**RESERVES**

During the year your Company has not transferred any amount to General Reserve Account.

**DIVIDEND**

The Board of Directors of your Company has not recommended any dividend for the financial year 2015-2016.

**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.

In this regard, during the year dividend amounting to ₹ 2, 93,913/- that had not been claimed by the Shareholders for the year ended 31st March 2008 was transferred to the credit of Investor Education and Protection Fund as required under Section 124 read with Section 125 of the Companies Act 2013.

**MATERIAL CHANGES AND COMMITMENTS:**

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.

**CHANGES IN THE NATURE OF BUSINESS**

During the year, there were no changes in the nature of business of the Company.

**BOARD MEETINGS**

The Board of Directors duly met six times during the financial year from 1st April 2015 to 31st March 2016. The dates on which the meetings were held as 25.05.2015, 22.07.2015, 11.08.2015, 29.10.2015, 14.11.2015 and 12.02.2016.

**DIRECTORS & KEY MANAGERIAL PERSONNEL**

Mrs. CA Alka Zanwar and Shri. CA Penmetsa Virkam were appointed as Additional Directors w.e.f. 28.07.2016 respectively. Now the Board proposes to appoint them as Independent Directors subject to necessary compliances.

Shri Sanjeev Kumar Agarwal, Director of the Company resigned with effect from 28th July, 2016. The Board placed on records its sincere appreciation for the valuable contribution made by him during his tenure as Director of the Company.

In accordance read Section 152 of the Act read with Article 111 of the Company's Articles of Association, Shri Susheel Kumar Gupta, Whole-time Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Shri. Susheel Kumar Gupta has been re-appointed as Whole-Time Director for a further period of 5 years with effect from 1st April, 2016.

**DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:**

The Company has received declarations from Shri M. Srikanth Reddy, Mrs. Kamini Gupta, Mrs. CA Alka Zanwar and Shri. CA Penmetsa Virkam, 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.



**POLICY ON DIRECTORS' 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, Clause 49 of the Listing Agreement and Regulation 27 of SEBI (LODR) Regulations, 2015.

In accordance with Section 178(3) of the Companies Act, 2013, Clause 49 (IV) (B) of the Listing Agreement 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.

**BOARD EVALUATION**

The Board of Directors has carried out an annual evaluation of its own performance, Board, Committees and individual Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings, etc

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its Committees and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated. The manner in which the evaluation was carried out and the process adopted has been mentioned out in the Report on Corporate Governance.

**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:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. 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;

3. 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;
4. That the Directors have prepared the annual accounts on a going concern basis;
5. 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
6. 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.

**EXTRACT OF 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 extract of annual return in MGT-9 is a part of this Annual Report is enclosed as Annexure - I.

**STATUTORY AUDITORS**

The Shareholders at their 25th Annual General Meeting (AGM) held on 30th September 2015, approved the re-appointment of M/s. Laxminiwas & Co., Chartered Accountants, as Statutory Auditors of the Company, to hold office from the conclusion of the 25th AGM up to the conclusion of the 27th AGM to be held in the year 2017.

In terms of first provision of Section 139 of the Companies Act, 2013, the appointment of Auditor is subject to ratification by the shareholders at every subsequent AGM. Accordingly, the Statutory Auditors, M/S.Laxminiwas & Co., Chartered Accountants, have confirmed their eligibility under Section 141 of the Companies Act, 2013, Rule 4 of the Companies (Audit and Auditors) Rules, 2014 and Clause 41(1) (h) of the Listing Agreement.

The Audit Committee and the Board of Directors recommend the appointment of M/s. Laxminiwas & Co. Chartered Accountants, as Statutory Auditors of the Company from the conclusion of 26th AGM till the conclusion of 27th AGM, subject to ratification by shareholders of the Company.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

**INTERNAL AUDITOR**

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 2016-2017.

**COST AUDITOR**

As per Section 148 of the Companies Act, 2013 read with Rules framed thereunder, the appointment of M/s Nageswara Rao & Co (Registration No. 000332) Cost Accountants as Cost Auditors of the Company for the financial year ending 31st March, 2017, is subject to ratification by shareholders of the Company.

**SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Board has appointed Shri. Ajay Kishen, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The report of the Secretarial Auditor is enclosed herewith vide Annexure II of this Report.

The Secretarial Auditor Report does not contain any qualification, reservation or adverse remark.

**PARTICULARS OF LOANS GUARANTEES, OR INVESTMENTS**

The Company has not granted any loans, investments, guarantees and securities.

**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 Company has not entered into any contracts/arrangements with related parties referred to Section 188(1) of the Companies Act, 2013 including certain arm length transaction during the year. Accordingly no disclosure or reporting is required covered under this Section.

**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 III.

**AUDIT COMMITTEE:**

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement and 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.

**NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement and 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.

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Stakeholders Relationship Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement and 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.

**RISK MANAGEMENT COMMITTEE AND POLICY:**

The Company has constituted a Risk Management Committee. The details of constitution of the Committee and its terms of reference are set out in the Report on Corporate Governance. The Company as formulated a Risk Management Policy under which various risks associated with the business operations is identified and risk mitigation plans have been put in place.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable since your Company does not have the net worth of ₹ 500 Crores or more or turnover of ₹ 1000 Crores or more or a net profit of ₹ 5 Crore or more during the financial year and hence the Company need not adopt any Corporate Social Responsibility Policy.

**COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has signed uniform listing agreement with BSE Limited and framed the following policies which are available on Company's website i.e. [www.vijaytextiles.in](http://www.vijaytextiles.in)

- i. Board Diversity Policy
- ii. Policy on preservation of Documents
- iii. Risk Management Policy

**SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPNIES**

The company does not have any subsidiary, joint venture or associate company which have become or ceased to be its subsidiaries, joint venture or associate company during the year.

**FIXED DEPOSITS**

The Company has not accepted or invited any Deposits covered under Chapter V of outstanding as on the date of the Balance Sheet. Accordingly no disclosure or reporting is required in respect of details relating to deposits covered under this Chapter.

The Company has accepted unsecured loans under the Chapter V of the Companies Act, 2013 from the Promoter/Directors during the financial year 2015-2016 and have obtained necessary declaration from them confirming that the funds invested by way of unsecured loans in the Company during the said financial year were neither acquired by borrowing or from accepting loans or deposits from others.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURTS/ REGULATORS**

During financial year 2015-2016, there were no significant and / or material orders, passed by any Court or Regulator or Tribunal, which you may impact the going concern status or the Company's operations in future.

**INTERNAL FINANCIAL CONTROL SYSTEMS**

The Company has adequate Internal Financial Controls commensurate with the nature of business and size of operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statues, accounting policies, approval procedures and to ensure optimum use of available resources. .

The Company has its own corporate internal audit function to monitor and assess the adequacy and effectiveness of the Internal Financial Controls and system across all key processes covering various locations. Deviations are reviewed periodically and due compliance ensured. The Internal Audit findings are discussed and suitable corrective actions are taken as per the Directions of Audit Committee on on-going basis to improve efficiency in operations. The Audit Committee reviews adequacy and effectiveness of the Company's internal financial control systems and monitors the implementation of audit recommendations.

**VIGIL MECHANISM**

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013, 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.

**INSURANCE:**

The properties and assets of your Company are adequately insured.

**CORPORATE GOVERNANCE**

The Company has implemented all of its major stipulations as applicable to the Company. As stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges and Regulation 34 read with schedule V of SEBI (LODR) Regulations, 2015, a report on Corporate Governance duly audited is appended as Annexure IV 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.

**MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**

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

**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.

**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.

**PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

The Company has in place an Prevention of Anti-Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Compliance Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. During the year 2015-2016, there were no complaints received by the Committee.

**PARTICULARS OF EMPLOYEES**

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 VI to this Report.

During the year NONE of the employees have received remuneration more than 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.

**CEO/ CFO CERTIFICATION**

The Managing Director and CEO/ CFO certification of the financial statements for the year 2015-2016 is provided elsewhere in this Annual Report.

**INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY**

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

**SECRETARIAL STANDARDS**

The Company is in compliance with SS 1 & SS 2.

**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: NA

**ACKNOWLEDGEMENTS**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the banks, Government authorities, customers, vendors and members during the year under review. You Directors also wish to thank all the executives, staff and workers for their contribution and continued support throughout the year.

For and on behalf of the Board

Sd/-

**Vijay Kumar Gupta**

Chairman & Managing Director

DIN: 01050958

Place : Secunderabad

Date : 28.07.2016

**Registered Office :**

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



### 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.

Certificate of Code of Conduct for the year 2015-16 as per Regulation 17(5) read with Regulation 34(3) Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Vijay Textiles Limited is committed for conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business

ethics. The Company has adopted a "Code of Ethics and Business Conduct" which is applicable to all Director, officers and employees.

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2015-16.

For and on behalf of the Board

Sd/-

**Vijay Kumar Gupta**

Chairman & Managing Director

Place : Secunderabad

DIN: 01050958

Date : 28.07.2016

### DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

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:-

Name of the Director	Susheel Kumar Gupta	CA.Alka Zanwar	CA.Penmetsa Virkam
Date of Birth	28.01.1975	22.01.1975	25.05.1973
Date of Appointment	17.06.1994	28.07.2016	28.07.2016
Qualification	Graduate	Chartered Accountant	Chartered Accountant
Expertise in specific functional areas	Over 26 years experience in Textile Processing Industry	Professional experience of 20 years in various fields such as Audit and taxation.	Professional experience of 11 years in various fields such as Audit, Internal control and risk management.
Directorships held in other Companies (excluding private limited and foreign Companies)	Nil	Nil	Nil
Membership/Chairmanship of Committee of other Companies (includes only Audit Committee and Stakeholders Relationship Committee)	Nil	Nil	Nil
No. of Shares held in the Company	21,79,699	Nil	Nil
Inter se relationship with any Director	Son of Shri Vijay Kumar Gupta	Nil	Nil

**FORM NO. MGT – 9**  
**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	L18100TG1990PLC010973
ii)	Registration Date	02-02-1990
iii)	Name of the Company	Vijay Textiles Limited
iv)	Category/Sub-Category of the Company	Company having Share Capital
v)	Address of the Registered office and contact details	Ground Floor, Surya Towers, 104,S.P. Road, Secunderabad, Telangana State – 500003.
vi)	Whether Listed Company	YES
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Shri Bhaskara Murthy, GM & Compliance Officer Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad – 500029 Phone: 040-27638111.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl.No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
I	Dyeing and Printing of Textile Fabrics	2480	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S.No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
	NA	NA	NA	NA	NA

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
(1) Indian									
a) Individual / HUIF	68,80,045	-	68,80,045	59.83	68,80,045	-	68,80,045	59.83	-
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt (s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp	--	--	--	--	--	--	--	--	--
e) Banks / FI's	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub Total (A) (1)</b>	<b>68,80,045</b>	<b>-</b>	<b>68,80,045</b>	<b>59.83</b>	<b>68,80,045</b>	<b>-</b>	<b>68,80,045</b>	<b>59.83</b>	<b>-</b>
(2) Foreign	--	--	--	--	--	--	--	--	--
a) NRI - Individuals	--	--	--	--	--	--	--	--	--
b) Other - Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corporate	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub Total (A) (2)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Total Shareholding of Promoter									
<b>(A)=(A)(1) + (A)(2)</b>	<b>68,80,045</b>	<b>-</b>	<b>68,80,045</b>	<b>59.83</b>	<b>68,80,045</b>	<b>-</b>	<b>68,80,045</b>	<b>59.83</b>	<b>-</b>
<b>B. PUBLIC SHAREHOLDING</b>									
I. Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	--	--	--	--	--	--	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt (s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Fund	--	--	--	--	--	--	--	--	--
i) Others	--	--	--	--	--	--	--	--	--
<b>Sub Total (B) (1)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

(Contd.)

**Category-wise Share Holding (Contd.)**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non Institutions</b>									
a) Bodies Corporate	6,57,865	--	6,57,865	5.72	3,99,895	--	3,99,895	3.48	-2.24
i) Indian	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual Shareholders holding nominal share capital up to ₹ 1 Lakh	25,94,739	21,496	26,16,235	22.75	24,18,358	20896	24,39,254	21.21	-1.54
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	12,69,856	--	12,69,856	11.04	17,11,502	--	17,11,502	14.88	3.84
c) Others	74,199	1,800	75,999	0.66	67,504	1,800	69,304	0.60	-0.06
<b>Sub Total (B) (2)</b>	<b>45,96,659</b>	<b>23,296</b>	<b>46,19,955</b>	<b>40.17</b>	<b>45,97,259</b>	<b>22,696</b>	<b>46,19,955</b>	<b>40.17</b>	<b>-</b>
<b>Total Public Shareholding (B) = (B)(1) + (B) (2)</b>	<b>45,96,659</b>	<b>23,296</b>	<b>46,19,955</b>	<b>40.17</b>	<b>45,97,259</b>	<b>22,696</b>	<b>46,19,955</b>	<b>40.17</b>	<b>-</b>
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>	--	--	--	--	--	--	--	--	--
<b>GRAND TOTAL (A+B+C)</b>	<b>1,14,76,704</b>	<b>23,296</b>	<b>1,15,00,000</b>	<b>100</b>	<b>1,14,77,304</b>	<b>22,696</b>	<b>1,15,00,000</b>	<b>100</b>	<b>--</b>

**ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01-04-2015)			Share holding at the end of the year (as on 31-03-2016)			% change in share-holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Vijay Kumar Gupta	34,98,016	30.42	100	34,98,016	30.42	100	
2	Susheel Kumar Gupta	21,79,699	18.95	100	21,79,699	18.95	100	
3	Shashi Kala Gupta	1,81,500	1.58	100	1,81,500	1.58	100	
4	Vijay Kumar Gupta (HUF)	10,20,830	8.88	88.93	10,20,830	8.88	88.93	
	<b>Total</b>	<b>68,80,045</b>	<b>59.83</b>		<b>68,80,045</b>	<b>59.83</b>		

**(iii) Change in Promoters' Shareholding: No change in shareholding**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of	% of total Shares of the Company
1.	At the beginning of the year	NA	NA	NA	NA
2.	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/transfer/bonus/sweat equity etc) :	NA	NA	NA	NA
3.	At the End of the year	NA	NA	NA	NA

**(iv) Shareholding Pattern of top ten Shareholders  
(other than Directors, Promoters and Holders of GDRs and ADRS):**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of	% of total Shares of the Company
<b>1. Archana Shorewala</b>	At the beginning of the year	2,70,000	2.35	2,70,000	2.35
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/transfer/bonus/sweat equity etc) :	-	-	-	-
	At the End of the year	2,70,000	2.35	2,70,000	2.35
<b>2. Kaveri Seed Company Limited</b>	At the beginning of the year	1,99,425	1.73	1,99,425	1.73
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/transfer/bonus/sweat equity etc) :	-	-	-	-
	At the End of the year	1,99,425	1.73	1,99,425	1.73
<b>3. Ganga Kaveri Seeds Pvt Ltd</b>	At the beginning of the year	1,80,000	1.57	1,80,000	1.57
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/transfer/bonus/sweat equity etc) :	-	-	-	-
	At the End of the year	1,80,000	1.57	1,80,000	1.57

(Contd.)

**Shareholding Pattern of top ten Shareholders (Contd.)  
(other than Directors, Promoters and Holders of GDRs and ADRS):**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of	% of total Shares of the Company
<b>4.</b>	<b>R.B.Jaju Securities Pvt Ltd</b>				
	At the beginning of the year	97,225	0.85	29,224	0.25
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/transfer/bonus/sweat equity etc) :	(68001)	(0.58)	-	-
		a) Sale of 33001 equity shares on 12.06.2015 b) Purchase of 150 equity shares on 01.01.2016 c) Sale of 50 equity shares on 08.01.2016 d) Sale of 100 equity shares on 15.01.2016 e) Sale of 25000 equity shares on 29.01.2016 f) Sale of 10000 equity shares on 04.03.2016			
	At the End of the year	29,224	0.25	29,224	0.25
<b>5.</b>	<b>SANTOSH SITARAM GOENKA</b>				
	At the beginning of the year	1,30,718	1.14	1,35,621	1.18
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/transfer/bonus/sweat equity etc) :	4,903	0.04	-	-
		a) Purchase of 4694 equity shares on 16.10.2015 b) Purchase of 209 equity shares on 23.10.2015			
	At the End of the year	1,35,621	1.18	1,35,621	1.18
<b>6.</b>	<b>U.K.AGARWAL</b>				
	At the beginning of the year	80,000	0.70	80,000	0.70
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/transfer/bonus/sweat equity etc) :	-	-	-	-
	At the End of the year	80,000	0.70	80,000	0.70
<b>7.</b>	<b>GHANSHYAM DAS GILADA</b>				
	At the beginning of the year	52,940	0.46	2,940	0.03
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/transfer/bonus/sweat equity etc) :	(50,000)	(0.43)	-	-
		a) Sale of 50000 equity shares on 01.01.2016			
	At the End of the year	2,940	0.03	2,940	0.03

(Contd.)

**Shareholding Pattern of top ten Shareholders (Contd.)  
(other than Directors, Promoters and Holders of GDRs and ADRS):**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>8.</b>	<b>SANJAY JAIN</b>				
	At the beginning of the year	49,794	0.43	7,689	0.06
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/transfer/bonus/sweat equity etc) :	(42,105)	0.37	-	-
	a) Sale of 42105 equity shares on 15.01.2016				
	At the End of the year	7,689	0.06	7,689	0.06
<b>9.</b>	<b>SUNDEEP J SHAH</b>				
	At the beginning of the year	48,708	0.42	48,708	0.42
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/transfer/bonus/sweat equity etc) :	-	-	-	-
	At the End of the year	48,708	0.42	48,708	0.42
<b>10.</b>	<b>VIJAY KUMAR AGARWAL</b>				
	At the beginning of the year	36882	0.32	15000	0.13
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/transfer/bonus/sweat equity etc) :	(21882)	0.19	-	-
	a) Purchase of 779 equity shares on 17.07.2015				
	b) Purchase of 2339 equity shares on 24.07.2015				
	c) Sale of 10000 equity shares on 04.12.2015				
	d) Sale of 15000 equity shares on 01.01.2016				
	At the End of the year	15000	0.13	15000	0.13

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>A. Directors</b>					
1	Vijay Kumar Gupta	34,98,016	30.42	34,98,016	30.42
2	Susheel Kumar Gupta	21,79,699	18.95	21,79,699	18.95
3	R.Malhotra	-	-	-	-
4	M.Srikanth Reddy	-	-	-	-
5	Sanjeev Kumar Agarwal	-	-	-	-
6.	Kamini Gupta	-	-	-	-
<b>B. Key Managerial Personnel</b>					
1.	S.Nagarajan	1,200	0.01	1,200	0.01



**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>		-		
i) Principal Amount	153,07,46,032.00	17,37,84,652.00	-	170,45,30,684.00
ii) Interest due but not paid	48,24,079.00	99,24,497.00	-	1,47,48,576.00
iii) Interest accrued but not due		-	-	-
<b>Total (i+ii+iii)</b>	<b>153,55,70,111.00</b>	<b>18,37,09,149.00</b>	<b>-</b>	<b>171,92,79,260.00</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	35,48,355.00	50,86,13,653.00	-	51,21,62,008.00
Reduction	11,31,25,532.00	31,67,24,149.00	-	42,98,49,681.00
<b>Net Change</b>	<b>-10,95,77,177.00</b>	<b>19,18,89,504.00</b>	<b>-</b>	<b>8,23,12,327.00</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	141,76,20,500.00	35,39,60,000.00	-	177,15,80,500.00
ii) Interest due but not paid	83,72,434.00	2,16,38,653.00	-	3,00,11,087.00
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>142,59,92,934.00</b>	<b>37,55,98,653.00</b>	<b>-</b>	<b>180,15,91,587.00</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Directors	Vijay Kumar Gupta (Managing Director)	Susheel Kumar Gupta (Executive Director)	R.Malhotra (Whole Time Director cum CFO)	Total Amount (Rs)
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	42,00,000	24,00,000	15,00,000	81,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	as % of profit	-	-	-	-
	Others	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>42,00,000</b>	<b>24,00,000</b>	<b>15,00,000</b>	<b>81,00,000</b>
	<b>Ceiling as per the Act</b>				

• Remuneration to Shri Vijay Kumar Gupta, Managing Director of ₹ 42,00,000/- Lakhs includes arrears of ₹ 18,00,000/- in respect of the year 2014-2015 as per Central Government approval dated 03.11.2015.

**B. Remuneration to other Directors:**

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		M.Srikanth Reddy	Sanjeev Kumar Agarwal	Smt. Kamini Gupta	
<b>1</b>	<b>Independent Directors</b>				
	Fee for attending Board/Committee Meetings	26,000	32,000	32,000	90,000
	Commission	-	-	-	-
	Others	-	-	-	-
	<b>Total (1)</b>				
<b>2</b>	<b>Other Non-Executive Directors</b>				
	Fee for attending Board/Committee Meetings	-	-	-	-
	Commission	-	-	-	-
	Others	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B) = (1+2)</b>	26,000	32,000	32,000	90,000
	Total Managerial Remuneration	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	NA	NA	NA	NA

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (S. Nagarajan)	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	15,00,000	*mentioned in above table A. in respect of remuneration of MD, WTD etc.	15,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-		-
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-		-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	as % of profit	-	-	-	-
	Others	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>15,00,000</b>	-	<b>15,00,000</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority (RD /NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

For and on behalf of the Board

Sd/-

**Vijay Kumar Gupta**

Chairman & Managing Director

DIN: 01050958

Place : Secunderabad

Date : 28.07.2016

**FORM NO:MR-3**

**SECRETARIAL AUDIT REPORT**

**For The Financial Year Ended On 31st March, 2016**

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,  
The Members,  
Vijay Textiles Limited  
Secunderabad

I 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). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, i hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016, 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 hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Vijay Textiles Limited for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; [Not applicable to the Company during the Audit period].
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [Not applicable to the Company during the Audit period]
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; [Not applicable to the Company during the Audit period].
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008; [Not applicable to the Company during the Audit period].

- (f) 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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. [Not applicable to the Company during the Audit period].
- (vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company are:
1. Factories Act, 1948
  2. Payment Of Wages Act, 1936, and rules made thereunder,
  3. The Minimum Wages Act, 1948, and rules made thereunder,
  4. Employees' State Insurance Act, 1948, and rules made thereunder,
  5. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
  6. The Payment of Bonus Act, 1965, and rules made thereunder,
  7. Payment of Gratuity Act, 1972, and rules made thereunder,
  8. The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
  9. Industrial Disputes Act, 1947
  10. The Air (Prevention and Control of Pollution) Act, 1981
  11. The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
  12. Textiles Committee Act, 1963
  13. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

I / 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 Listing Agreements entered into by the Company with Bombay Stock Exchange.

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

I further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I 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.

Sd/-

**Ajay Kishen**

Practicing Company Secretary

FCS: 6298 CP: 5146

Place : Hyderabad

Date : 30.05.2016

**Note:** This report is to be read with my letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

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**ANNEXURE A**

To,  
The Members,  
Vijay Textiles Limited  
Secunderabad

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

**Ajay Kishen**

Practicing Company Secretary

FCS: 6298 CP: 5146

Place : Hyderabad

Date : 30.05.2016

**ANNEXURE -III**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND  
FOREGIN EXCHANGE EARNIGS AND OUTGO**

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

<b>I. Energy Conservation:</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
<b>A. 1. Power &amp; Fuel Consumption</b>		
Electricity :		
a) Purchased:		
Units	<b>30,20,147</b>	19,29,428
Total amount (₹)	<b>2,09,24,641</b>	1,55,66,362
Units Rate (₹)	<b>6.93</b>	8.07
b) Own Generation :		
Through Diesel Generator	<b>1,984</b>	1,920
Units	<b>3.20</b>	3.20
Units per ltr. of Diesel oil	<b>16.37</b>	19.56
Cost/Unit (₹)		
<b>2. Coal used in Boiler :</b>		
Quantity (Tonnes)	<b>Nil</b>	Nil
Cost (₹)	<b>Nil</b>	Nil
Average Rate (₹)	<b>Nil</b>	Nil
<b>3. Furnace Oil (HSD):</b>		
Quantity (K. Liter)	<b>Nil</b>	Nil
Total Amount (₹)	<b>Nil</b>	Nil
Average Unit/Liters	<b>Nil</b>	Nil
<b>4. Others/Internal generation :</b>		
Quantity (Tonnes)	<b>8,019</b>	6,390
Total Cost	<b>2,22,32,165</b>	1,73,87,844
Average Rate (₹)	<b>2,772</b>	2,721
<b>B. Consumption per unit of production (Linear meter)</b>		
Electricity	<b>0.55</b>	0.40
Furnace Oil	<b>Nil</b>	Nil
Coal (Kgs.)	<b>Nil</b>	Nil
Others (Firewood) (Kgs.)	<b>1.45</b>	1.32
<b>2. Technology Absorption:</b>	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.	
<b>3. Foreign Exchange earnings and outgo :</b>		
Earnings (₹)	<b>26,72,148</b>	44,50,865
Outgo (₹)	<b>2,20,038</b>	2,81,855



**CORPORATE GOVERNANCE REPORT**

In accordance with Clause 49 of the Listing Agreement and Regulation 17 to 27, 34(3) read with Schedule V and clauses (b) to (i) of sub regulation (2) of regulation 46 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:

**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.

**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,

**BOARD EVALUATION:**

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that the Board shall monitor and review the Board evaluation framework. The framework includes the evaluation of Directors on various parameters such as:

- Board dynamics and relationships
- Information flows
- Decision-making
- Relationship with stakeholders
- Company performance and strategy
- Tracking Board and Committees' effectiveness
- Peer evaluation

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its Committees and individual Directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the Corporate Governance Report. The Board approved the evaluation results as collated by the nomination and remuneration Committee.

**FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:**

All new independent Directors inducted into the Board attend an orientation program. The details of training and familiarization program are provided in the corporate governance report and are also available on our website (<http://www.vijaytextiles.in/>). Further, at the time of the appointment of an independent Director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities. The format of the letter of appointment is available on our website <http://www.vijaytextiles.in/>

**LISTING AGREEMENT:**

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with an aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective from December 1, 2015. The Company entered into Uniform Listing Agreement with BSE Limited on 15th February, 2016.

**VIJAY' CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING:**

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website <http://www.vijaytextiles.in/>

**BOARD OF DIRECTORS****COMPOSITION:**

The Board of Directors, as at the end of the year on 31st March, 2016 comprised of Six Directors out of which three being Independent Directors and three being Non-Independent Directors. One Independent Director is a Woman Director.

During the Financial Year 2015-2016, the Company had an Executive Chairman who belonged to the promoters group and the number of Independent Directors during the year consists of three, which is in compliance with the requirement of having one- half of the Board as an Independent Directors.

None of the Directors on the Board is a member of more than 10 (ten) Committees or Chairman of more than 5 (five) Committees, across all the Companies in which he is a Director. The Directors made necessary disclosures regarding Committee positions in other public limited Companies as on 31st March, 2016.

**Board Meetings:**

Six (6) Board Meetings were held during the year as against the minimum requirement of four meetings. The gap between any two meetings did not exceed four months. The date on which the Board meetings were held are 25th May, 2015, 22nd July, 2015, 11th August, 2015, 29th October, 2015, 14th November, 2015 and 12th February, 2016.

**Corporate Governance Report (Contd.)**

**Attendance and Directorship & Committee positions in other Companies:**

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Membership held by them in other Companies is given below. Other Directorships do not include alternate Directorships, Directorships of private limited Companies, Directorship of Foreign Companies and Directorship of Companies under Section 25 of the Companies Act, 1956. The Chairmanship /Membership of Board/Committees includes Membership of Audit/Nomination and Remuneration, Stakeholders Relationship Committee and other Committees.

Name	Category	No. of Board Meetings during the period		Attendance of the last AGM held on 30.09.2015	No. of Directorship in other Public Ltd. Companies		No. of Committee positions held in other Public Companies	
		Held	Attended		C	M	C	M
Vijay Kumar Gupta	CMD/P/ED	6	6	Present	-	1	-	3
Susheel Kumar Gupta	P/ED	6	6	Present	-	-	-	-
R. Malhotra	F.D/E.D	6	6	Present	-	-	-	-
M Srikanth Reddy	ID/NED	6	5	Present	-	1	-	-
Sanjeev Kumar Agarwal	ID/NED	6	6	Present	-	-	-	-
Smt. Kamini Gupta	ID/NED	6	6	Present	-	-	-	-

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

ID/NED : Independent Director/ Non-Executive Director

C : Chairman M: Member

**AGENDA, PROCEEDINGS ETC., OF THE BOARD MEETING**

All the Meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information and documents (Except for critical price sensitive information, which is circulated in the Meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the Meetings of the Board/Committees. Additional Agenda items in the form of "Other Business" are included with the permission of the Chairman. Agenda papers are generally circulated seven day prior to the Board Meeting. For any other business exchanges the resolutions are passed by circulation and later placed in the ensued Board Meeting for ratification.

Apart from the Board Members the Company Secretary and the CFO are invited to attend all Board Meetings. Other senior Management Executives are called as and when necessary to provide additional inputs for the items being discussed by the Board. The CFO makes presentation on quarterly and annual operating and financial performance and on capex expenditure. The Chairman of various Board/Committees brief the Board on all the important matters discussed and decided at their respective Committee Meetings, which are generally held prior to the Board Meeting.

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board/ Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

**Corporate Governance Report (Contd.)****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.

**TRAINING OF INDEPENDENT DIRECTORS**

Whenever new Non-executive and Independent Directors are inducted in the Board they are introduced to our Company's culture through appropriate orientation session and they are introduced to our organisation structure, our business, constitution, Board procedures and management strategy.

**PERFORMANCE EVALUATION OF NON-EXECUTIVE AND INDEPENDENT DIRECTORS**

The Board evaluates the performance of Non-Executive and Independent Directors every year. All the Non-executive and Independent Directors are eminent personalities have wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

**SEPARATE MEETING OF THE INDEPENDENT DIRECTORS**

The Independent Directors held a Meeting on 28th March, 2016 without the attendance of Non-Independent Directors. All the Independent Directors were present at the meeting. The following issue were discussed in detail.

1. Reviewed the performance of non-Independent Directors and the Board as a whole.
2. Reviewed the performance of the Chairperson of the Company taking into account the views of Executive Directors and Non - Executive Directors.
3. Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE**

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

**NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON EXECUTIVE DIRECTORS:**

None of the Non-Executive Directors of the Company holds any shares and Convertible Instruments in their name.

**COMMITTEES OF THE BOARD:**

The Board constituted various Committees to deal with specific areas/activities relating to the Company. The Board supervises the execution of its responsibilities by the Committees. The minutes of the meeting of the Committee are placed before the Board for review. The Board has currently established the following statutory and non -statutory Committees.

**Corporate Governance Report (Contd.)****AUDIT COMMITTEE:**

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

1. Over view of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement reflect a true and fair position and that sufficient and credible information is disclosed.
2. Recommending the appointment and removal of statutory auditors, internal auditors and cost auditors, fixation of their audit fees and approval for payment of any other services.
3. Reviewing the financial statement and draft audit report, including quarterly/half yearly financial information.
4. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
  - i) The changes in accounting policies and practices.
  - ii) Major accounting entries based on excises of judgment by the management.
  - iii) Qualifications in draft audit report.
  - iv) Significant adjustment arises out of audit.
  - v) The going concern assumption.
  - vi) Compliance with accounting standards, stock exchange and legal requirement concerning financial statements.
  - vii) Review and approval of related party transactions.
5. Reviewing, with the management, external and internal auditors, the adequacy and compliance of internal control systems.
6. Reviewing the adequacy of internal audit functions.
7. Discussions with internal auditors on any significant findings and follow up there on.
8. Discussions with statutory auditors about the nature and scope of the audit before the audit commences and as well as the post audit discussions to ascertain any area of concern.
9. Reviewing the Company's financial and risk management policy.
10. Any other function as delegated by the Board from time to time.

During the year April 2015 to March 2016, Four (4) Audit Committee Meetings were held. The dates on which the said meetings were held are 25th May, 2015, 11th August, 2015, 14th November, 2015 and 12th February, 2016.

**Corporate Governance Report (Contd.)**

The composition of the Audit Committee and particulars of meetings held and attended by members of the Audit Committee are given below:

Name	Designation	Category	Number of meetings during the year 2015-2016	
			Held	Attended
Shri M. Srikanth Reddy	Chairman	Independent, Non-Executive	4	3
Shri Sanjeev Kumar Agarwal	Member	Independent, Non-Executive	4	4
Smt Kamini Gupta	Member	Independent, Non-Executive	4	4

The Audit Committee meetings were also attended by the partner/representatives of Statutory Auditors and Internal Auditors of the Company. Shri M.Srikanth Reddy Chairman of Audit Committee attended the previous Annual General Meeting held on 30th September, 2015. Shri S. Nagarajan, Company Secretary of Company, also acts as the Secretary to the Audit Committee.

**NOMINATION AND REMUNERATION COMMITTEE:**

The terms of reference of the Nomination and Remuneration Committee as under:

- Recommend to the Board the setup and composition of the Board and its Committees including the "formulation of the criteria for determining qualifications, positive attributes and independence of a Director." The Committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Recommend to the Board the appointment or reappointment of Directors.
- Devise a policy on Board diversity.
- Recommend to the Board appointment of Key Managerial Personnel ("KMP" as defined by the Act) and executive team members of the Company (as defined by this Committee).
- Carry out evaluation of every Director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors. This shall include "Formulation of criteria for evaluation of Independent Directors and the Board". Additionally the Committee may also oversee the performance review process of the KMP and executive team of the Company.
- Recommend to the Board the Remuneration Policy for Directors, executive team or Key Managerial Personnel as well as the rest of the employees.
- On an annual basis, recommend to the Board the remuneration payable to the Directors and oversee the remuneration to executive team or Key Managerial Personnel of the Company.
- Oversee familiarisation programmes for Directors.
- Oversee the Human Resource philosophy, Human Resource and People strategy and Human Resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the Board, Key Managerial Personnel and executive team).

### Corporate Governance Report (Contd.)

- Provide guidelines for remuneration of Directors on material subsidiaries.
- Recommend to the Board on voting pattern for appointment and remuneration of Directors on the Boards of its material subsidiary Companies.
- Performing such other duties and responsibilities as may be consistent with the provisions of the Committee charter.

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

During the year one meeting was held on 12th February, 2016.

The composition of the Nomination and Remuneration Committee and particulars of meetings held and attended by members of the Committee are given below:

Name	Designation	Category	Number of meetings during the year 2015-2016	
			Held	Attended
Shri Sanjeev Kumar Agarwal	Chairman	Independent, Non-Executive	1	1
Shri M. Srikanth Reddy	Member	Independent, Non-Executive	1	1
Smt Kamini Gupta	Member	Independent, Non-Executive	1	1

#### Performance evaluation criteria for independent Directors:

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.

#### Remuneration Policy

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

The Non-executive Directors are being paid sitting fees @ Rs5, 000/- for each meeting of the Board or any Committee thereof attended by them. The Board of Directors has approved the compensation of the Non-Executive Directors.

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

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



**Corporate Governance Report (Contd.)**

Details of Remuneration accrued and paid to the Directors for the year ended 31st March, 2016:

<b>Name of the Director</b>	<b>Perquisites (₹)</b>	<b>Sitting Fees (₹)</b>	<b>Total (₹)</b>
Shri Vijay Kumar Gupta	42,00,000	-	42,00,000
Shri Susheel Kumar Gupta	24,00,000	-	24,00,000
Shri R.Malhotra	15,00,000	-	15,00,000
Shri M.Srikanth Reddy	-	26,000	26,000
Shri Sanjeev Kumar Agarwal	-	32,000	32,000
Smt Kamini Gupta	-	32,000	32,000

**Non- Executive Directors interest.**

None of the Non-Executive Directors has any pecuniary or material relationship or transaction with the Company.

<b>Sl.No.</b>	<b>Name of the Non-Executive Director</b>	<b>No. of Shares held</b>
1.	Shri M. Srikanth Reddy	Nil
2.	Shri. Sanjeev Kumar Agarwal	Nil
3.	Smt. Kamini Gupta	Nil

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The terms of reference of this Committee is to consider transfer/ transmission of Shares, issue of duplicate share certificates, review of shares dematerialized and all other related matters, investors grievances and redressal thereof. During the year the Company had received letters/complaints from the shareholders and all of them were resolved satisfactorily. There were no transfers pending at the close of the financial year.

During the year April 2015 to March 2016, Four (4) Stakeholders Relationship Committee Meetings were held. The dates on which the said meetings were held are 25th May, 2015, 11th August, 2015, 14th November, 2015 and 12th February, 2016.

The composition of the Stakeholders Relationship Committee and particulars of meetings held and attended by members of the Stakeholders Relationship Committee are given below:

<b>Name</b>	<b>Designation</b>	<b>Category</b>	<b>Number of meetings during the year 2015-2016</b>	
			<b>Held</b>	<b>Attended</b>
Smt.Kamini Gupta	Chairman	Independent, Non-Executive	4	4
Shri M.Srikanth Reddy	Member	Independent, Non-Executive	4	3
Shri Sanjeev Kumar Agarwal	Member	Independent, Non-Executive	4	4

**Corporate Governance Report (Contd.)****RISK MANAGEMENT COMMITTEE**

The Committee's prime responsibility is to implement and monitor the risk management plan and policy of the Company. The Committee's constitution meets with the requirements of Regulation 21 of SEBI (LODR) Regulations, 2015

Role and Responsibilities of the Committee includes the following:

1. Framing of Risk Management Plan and Policy
2. Overseeing implementation of Risk Management Plan and Policy.
3. Monitoring of Risk Management Plan and Policy.
4. Validating the procedure for Risk Minimization.
5. Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes.
6. Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.
7. Performing such other functions as may be necessary or appropriate for the performance of its oversight function.

The composition of the Risk Management Committee as under:

<b>Name</b>	<b>Designation</b>	<b>Category</b>
Shri Vijay Kumar Gupta	Chairman	Managing Director
Shri M.Srikanth Reddy	Member	Independent, Non-Executive
Shri Sanjeev Kumar Agarwal	Member	Independent, Non-Executive
Smt. Kamini Gupta	Member	Independent, Non-Executive

No meeting held during the year 2015-2016.

**Name and Designation of Compliance Officer:**

Shri S. Nagarajan, Company Secretary as the Company, is the Compliance Officer of the Company.

**Details of Complaints/Requests Received, Resolved and Pending During the Year 2015-2016****INVESTOR COMPLAINTS**

<b>Particulars</b>	<b>Year ended 31.03.2016</b>
Pending at the beginning of the year	0
Received during the year	13
Disposed of during the year	13
Remaining unresolved at the end of the year	0

**Corporate Governance Report (Contd.)**

**General Body Meetings**

During the preceding three years, the Company's Annual General Meetings were held at Surana Udyog Auditorium, The Federation House, 11-9-841, Red Hills, Hyderabad-500 004.

The date and time of Annual General Meetings held during last three years, and the special resolution(s) passed thereat are as follows:

<b>Financial Year</b>	<b>Date</b>	<b>Time</b>	<b>Special Resolution Passed</b>
2012-2013	27.09.2013	3.30 P.M	Nil
2013-2014 *	30.09.2014	11.00 A.M	5 (Five)
2014-2015 **	30.09.2015	11.00 A.M	3 (Three)

\* 2013-2014

1. Re-appointment of Shri Vijay Kumar Gupta, Managing Director of Company for a period of 5 years.
2. Approval for Borrowings Powers of the Company u/s.180 (1)(c)
3. Approval for creation and mortgage of assets u/s 180(1)(a).
4. Alteration of Articles of Association of the Company.
5. Approval of de-listing of equity shares from Madras Stock Exchange Limited.

\*\* 2014-2015

1. Approval for increase of Authorized Share Capital and Alteration of Memorandum of Association of the Company.
2. Alteration of Articles of Association of the Company.
3. Approval of issue of Redeemable, Non-Convertible & Cumulative Preference Shares to Promoters.

**Disclosures :**

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

There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives, etc. that may potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in Note 25 of Notes on Accounts under point No: 25.10 to the Accounts in the Annual Report.

- b) The Company has complied with all the requirements of the Listing Agreement with Stock Exchanges as well as Regulations and Guidelines prescribed by SEBI. There were no penalties or strictures imposed on the Company by any statutory authorities for non-compliance on any matter related to capital market, during the last three years.
- c) The Company has lay down a "Code of Conduct:" for the Directors and Senior Management Personnel. The Members of the Board and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as at 31st March, 2016. A declaration to this effect signed by Shri Vijay Kumar Gupta, Chairman and Managing Director, is given in Annexure to this report.
- d) Code of Conduct

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

**Corporate Governance Report (Contd.)**

- e) The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for Directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the audit Committee.
- f) The Company has also adopted Policy on Determination of Materiality for Disclosures and policy of preservations of documents.
- g) 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 firm and the total number of dematerialized shares held \with NSDL and CDSL.
- h) Compliance with the Mandatory Requirements and Adoption ofthe 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:
- i. The Chairman of the Company is an Executive Chairman and hence the provisions for Non-Executive Chairman are not applicable. All other requirements of the Board during the year have been complied with.
- ii. The financial Statements are free from any Audit Qualifications.
- i) 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 129 of the Companies Act, 2013.

**MEANS OF COMMUNICATION:**

- i. The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the Performa prescribed by Clause 41 of the Listing Agreement and 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 published in press, the same are not mailed to the Shareholders.

**I. 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 LI8100TGI990PLC010973.

**Corporate Governance Report (Contd.)**

- Date, Time & Venue of AGM : Thursday, 29th September, 2016 at 11.00 A.M.  
FTAPCCI Auditorium  
The Federation of Telangana and AP Chamber of  
Commerce & Industry, Federation House: 11-6-841,  
Red Hills, Hyderabad - 500 004.
- Financial Calendar : 1st April to 31st March.
- Results for the quarter ending : June 30, 2016 - Second week of August, 2016  
September 30, 2016 - Second week of October, 2016  
December 31, 2016 - Second Week of February, 2017.  
March, 31 2017 - Fourth week of May, 2017.
- Date of Book Closure : Saturday, the 24th September, 2016 to  
Thursday, the 29th September, 2016 (both days inclusive)
- Listing on Stock Exchanges : The Bombay Stock Exchange Limited
- Stock Code : 530151 on Bombay Stock Exchange Limited
- ISIN Number for NSDL & CDSL : INE 256 G01033
- **Market price data:**

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

Sl.No.	Month	High (₹)	Low (₹)
1	April, 2015	8.25	5.46
2	May, 2015	6.79	5.11
3	June, 2015	6.00	4.42
4	July, 2015	5.89	4.57
5	August, 2015	9.66	4.77
6	September, 2015	10.04	7.35
7	October, 2015	9.14	7.45
8	November, 2015	13.38	8.62
9	December, 2015	14.70	14.04
10	January, 2016	23.52	15.90
11	February, 2016	30.55	18.60
12	March, 2016	24.65	17.25

**Corporate Governance Report (Contd.)**

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

As per Regulation 34(3) read with Schedule V of SEBI (Listing Obligations 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.

● **Unclaimed Dividend:**

Pursuant to the provisions of Section 123 of the Companies Act, 2013, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account is required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government pursuant to Section 125 of the Companies Act, 2013.

Members who have not so far encashed the dividend warrant(s) are requested to seek revalidation of dividend warrants in writing to the Company's Registrar and Transfer Agents, M/S. Aarthi Consultants Pvt Ltd immediately. Members are requested to note that no claims shall lie against the Company in respect of any amounts which were unclaimed and unpaid for a period of seven year from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

Members are also advised to update their correspondence address in their demat accounts in case of their holdings are in electronic form or inform their latest correspondence address to the Registrars in case of holdings in physical form.

Information in respect of such unclaimed dividends due for transfer to the Investor Education and Protection Fund (IEPF) us as follows.

Year	Dividend-Type	Date of Declaration	Due Date of Transfer
2008-2009	Final	24.09.2009	06.11.2016
2009-2010	Final	25.09.2010	04.11.2017
2010-2011	Final	02.08.2011	11.09.2018

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

**Corporate Governance Report (Contd.)**

● **Share Transfer System:**

The Company's Shares are traded on BSE Limited compulsorily in the dematerialized form. 99.80% of the total equity shares of the Company are in dematerialized form with NSDL and CDSL as on 31st March 2016. 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 by 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 days 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. Aarathi 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 2016.

Shareholding as on 31.03.2016:

**a) Distribution of Shareholding:**

<b>No. of equity Shares held</b>	<b>No. of Shareholders</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
Up to 5000	11241	92.34	10,98,885	9.56
5001 to 10000	463	3.80	3,55,469	3.09
10001 to 20000	219	1.80	3,13,235	2.72
20001 to 30000	66	0.55	1,66,417	1.45
30001 to 40000	31	0.26	1,10,939	0.96
40001 to 50000	32	0.26	1,46,224	1.27
50001 to 100000	54	0.44	3,92,996	3.42
100001 and above	67	0.55	89,15,835	77.53
<b>Grand Total</b>	<b>12173</b>	<b>100</b>	<b>1,15,00,000</b>	<b>100</b>
Physical Mode	54	0.44	22,696	0.20
Demat Mode	12119	99.56	1,14,77,304	99.80



## Corporate Governance Report (Contd.)

## b) Shareholding Pattern:

Sl. No.	Category	No. of shares held	Percentage of shareholding
<b>A</b>	<b>Shareholding of Promoter and Promoter group:</b>		
1.	Indian		
	Individual	68,80,045	59.83
2.	Foreign		
	Individual	-	-
	<b>Sub-Total A</b>	<b>68,80,045</b>	<b>59.83</b>
<b>B</b>	<b>Public Shareholding:</b>		
1.	Institutions	-	-
2.	Non Institutions		
	a. Bodies Corporate	3,99,895	3.48
	b. Indian Public and others	42,20,060	36.69
	<b>Sub Total B</b>	<b>46,19,955</b>	<b>40.17</b>
	<b>Grand Total (A+B)</b>	<b>1,15,00,000</b>	<b>100</b>

Outstanding GCRs/ADRs/Warrants or any convertible instruments. Conversion date and likely impact of equity.

We have no GDRs/ADRs or any commercial instrument.

**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 Share	% Share Capital
NSDL	99,29,716	86.34
CDSL	15,47,588	13.46
PHYSICAL	22,696	0.20
<b>Total</b>	<b>1,15,00,000</b>	<b>100</b>

**Corporate Governance Report (Contd.)**

- Plant Location : Survey No: 139 to 141 & 143  
Village Rajapoor, Mandal Balanagar,  
Dist: Mahaboobnagar,  
Telangana - 509 202.
- Address for correspondence : To be addressed to  
Aarthi Consultants Pvt. Ltd.  
1-2-285, Domalguda, Hyderabad-500029  
Phone: 040-27638111, 27634445  
Fax: 040-27632184  
Email: info@aarthiconsultants.com  
Web: www.aarthiconsultants.com.
- Investor Correspondence / Query on Annual Report, Sub-Division, Revalidation of Dividend Warrants etc. : S. Nagarajan  
Company Secretary  
Vijay Textiles Limited  
Surya Towers, Ground Floor,  
104, Sardar Patel Road  
Secunderabad - 500 003.  
Ph.No. 040-27848479, 27844086  
Fax: 040-27846849  
Email: Info@vijaytextiles.in  
Web: www.vijaytextiles .in

• **Depository Services:**

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

National Securities Depository Ltd,  
Trade World, 4th Floor,  
Kamala Mills Compound,  
Senapati Bapat Marg, Lower Patel,  
Mumbai - 400 013.  
Tel: 022-24994200  
Fax: 022-24972993/24976351  
Email: info@nsdl.co.in

Central Depository Services (I) Ltd.  
Phiroze Jeejeebhoy Towers,  
28th Floor, Dalal Street,  
Mumbai - 400 023.  
Tel: 022-22723333, 022-22723224  
Fax: 022-22723199  
Email: investors@cdslindia.com

- Nomination Facility : Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 72 of the Companies Act,2013 are requested to submit to the Company in the prescribed manner.

### **Corporate Governance Report (Contd.)**

- Company's Policy on prevention of insider trading : Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company had framed a Code of Conduct for prevention of insider trading. Shri S. Nagarajan, Company Secretary, had been appointed as the Compliance Officer for this purpose. The code is applicable to all such employees of the Company, who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism.

### **CEO/CFO CERTIFICATION**

As required by under Regulation 17(8) read with Part B, Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO certification is provided in the Annual Report.

### **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**

Sd/-

**Vijay Kumar Gupta**  
Chairman & Managing Director  
DIN: 01050958

Place: Secunderabad

Date: 28.07.2016

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****INDUSTRY STRUCTURE, DEVELOPMENTS AND PERFORMANCE****STRENGTHS**

The furnishing industry has made rapid strides and grown in size and stature over the years, largely influenced by changing consumer tastes and mass appeal. There has been tremendous growth in housing and infrastructure sectors, which are catalyst in the growth of this industry. In global scenario this industry has shown accelerated growth in the recent past. Economic changes and increase in general spending power has induced the consumers to splurge more money on furnishing and in embellishing 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 excelled itself 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 consist of NRIs, reputed institutes, corporate consumers and people from by far from all the strata of the society. The Company caters to all the segments that matter, mainly on the strength of its quality products, which have exclusive and wide range of hues, quality and pricing choices. Going further the Company has strengthened its bed linen portfolio by penetrating the markets through its strong dealer network and mega retail outlets.

The Company has a fully automated Embroidery Unit within its factory premises initially set up in the year 2009 now boasts of 40 fully automatic embroidery and sophisticated machines imported from Japan. In-house embroidery unit extends an edge to the Company in increasing its output in line with the increased demand for embroidered fabric. Embroidered fabric and bed linen has enabled the Company to increase its market stronghold and thus capture a sizeable market share too. The Company has increased its focus on innovation thus bringing out the new range of embroidered fabrics in line with the demand and current trends, which is greatly helping the Company to command new areas and the untapped markets.

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 & THREATS:**

Though the furnishing fabric market is ever growing one yet it has witnessed a radical change in consumer tastes and liking due to changing life styles in line with changing times. The economic changes and liberalization has played a big role in rise in living standards and is also instrumental to a large extent in enhancing general spending power. The boom in housing sector has indeed added spice to peoples' tastes and their zest for sophistication. The Company operates in a highly competitive environment but 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 that other competitor's finds difficult to dislodge the Company from its leadership position. Constant innovation has helped the Company too in retaining the edge in the contemporary markets to sustain growth.

## **Management Discussion and Analysis Report (Contd.)**

The furnishing industry has by and large has been able to withstand the market slow down and fluctuation in prices of essential raw materials to a considerable extent albeit with a lesser impact. The invasion of foreign Companies in Indian markets and their mushroom growth in size and stature has also played a great role in escalating stiff competition. The Company has kept pace with the advancements around and forged its synergies in 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...

### **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 life styles and people's acumen to opt for sophisticated standards are the key factors in its growth pattern too. These factors will help the Company to achieve its projected growth outlined for the future. The governmental policies relating to infrastructure projects have strong bearing on the investment scenario in this sector, which may impact the planning of the Company in regard to future projects in this field. General economic slowdown is in fact a disheartening factor and is allowing the contemporary markets to swing back in to revival mode, yet the Company through its aggressive marketing strategy is trying to overcome it in a good measure and is hopeful of battering its overall performance despite odds. Infrastructure and housing sectors are beginning to regain the market confidence, which is surely a positive signal of steady growth in the coming times. This augurs well for your Company in changing its outlook to positive for the current financial year.

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.

### **RISKS & CONCERNS**

The Company remains apprehensive of the market environment and its continuous conditions of general economic slowdown and downturn, which are not allowing the contemporary markets to go in to revival mode. It is a growth retardant and impacting the Company to a considerable extent. Market buoyancy and fluctuating prices of raw materials are key concerns, which are to be addressed appropriately at crucial stages 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 in impairing growth.

### **INTERNAL CONTROL SYSTEM & ADEQUACY**

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

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

There are no material developments in the Human Resources area. The Industrial relations have been considered to be satisfactory. The Company constantly reviews the 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 327.

#### **DISCUSSION ON FINANCIAL PERFORMANCE**

The Company achieved a gross turnover of Rs 10790.41 Lakhs during the year and net profit of Rs 100.62 Lakhs during the year under review.

The Company has overcome the period of lean performance in the preceding couple of years and shown much better results in the year under review. The Company hopes to continue its good run and sustained growth in the current financial year and years to follow. Evidently in the current financial year the Company is really beginning to feel an improvement in the market scenario and truly hopes that this trend continues thus helping it in overcoming the obstacles that have been impacting its growth. 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.

#### **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.

**ANNEXURE-VI**

The details of remuneration during the year 2015-2016 as per Rule 5 (1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2015 are as follows:

Sl. No.	Disclosure Requirement	Disclosure Details	
i.	Ratio of the Remuneration of each Director to the median Remuneration of the employees of the Company for the Financial year	<b>Executive Directors</b>	<b>Ratio to median remuneration</b>
		Shri Vijay Kumar Gupta	18.74:1
		Shri Susheel Kumar Gupta	18.74:1
		Shri R.Malhotra	11.72:1
ii.	Percentage increase in the remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<b>Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary</b>	<b>% increase in remuneration in the financial year</b>
		Shri Vijay Kumar Gupta	NIL
		Shri Susheel Kumar Gupta	NIL
		Shri R.Malhotra	NIL
		Shri S.Nagarajan	NIL
Note: During the year 2015-2016, Non-Executive/Independent Directors being paid only sitting fees for the meeting attended by them.			

- iii. Percentage increase in the median remuneration of employees in the financial year- NIL
- iv. Number of permanent employees on the rolls of the Company as on 31st March, 2016 - 149.
- v. Explanation on relationship between average increase in remuneration & Company performance  
During the year there is no increase in remuneration when compared to previous year.
- vi. **Comparison of the Remuneration of Key Managerial Personnel against the performance of the Company.**

Aggregate remuneration of Key Managerial Personnel (KMP) in FY 2015-2016 (Rs: in Lakhs )	15.00
Revenue (Rs: Lakhs)	10853.21
Remuneration of KMPs (as % of revenue)	0.14
Profit before Tax (PBT) ( Rs: in Lakhs)	107.64
Remuneration of KMP (as % of PBT)	13.93

- vii. **Variation in the market capitalization of the Company and price earnings ratio as at the closing date of the current financial year and previous financial year:**

Particulars	31.03.2015	31.03.2016
Market Capitalization of the Company (in ₹ Lakhs)	84.42	<b>418.98</b>
Closing price at the Bombay Stock Exchange Ltd. (in ₹)	5.98	<b>18.85</b>
Price Earnings Ratio as at the closing date	(0.36)	<b>21.67</b>

**Percentage increase over decrease in market quotations of the shares of the Company in comparison with the last public offer:**

Not Applicable as the last public offer was in 1995 and the data are incomparable.

- viii. **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 point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average annual increase in salaries of employees was Nil.

Increase in the managerial remuneration for the year was Nil.

- ix. **Comparison of each remuneration of the key managerial personal against the performance of the Company:**

(₹ in Lakhs)

Particulars	Shri. Vijay Kumar Gupta Managing Director	Shri. Susheel Kumar Gupta Executive Director	Shri. R Malhotra Finance Director	Shri. S Nagarajan Company Secretary
Remuneration in FY 2015-2016	42.00	24.00	15.00	15.00
Revenue	10853.21	10853.21	10853.21	10853.21
Remuneration as % of revenue	0.39	0.22	0.14	0.14
Profit before Tax (PBT)	107.64	107.64	107.64	107.64
Remuneration (as % of PBT)	39.02	22.30	13.94	13.94

- x. The key parameters for any variable components of remuneration availed by the Directors:  
None of the Directors being drawn/paid any variable components of remuneration.
- xi. **Ratio of remuneration of the highest paid Director of the employees who are not Directors but recent remuneration in excess of the highest paid Director during the year:**  
Not Applicable as no employee is receiving remuneration in excess of the highest paid Director.
- xii. **Affirmation that the remuneration is per the remuneration policy of the Company:**  
The Company is in compliance with its remuneration policy.



**CERTIFICATE BY CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER**

We, Vijay Kumar Gupta, Chief Executive Officer and R. Malhotra Finance Director/Chief Financial Officer of Vijay Textiles Limited, hereby certify to the best of our knowledge and belief certify that:

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

Place : Secunderabad  
Date : 28.07.2016

Sd/-  
**R.MALHOTRA**  
Chief Financial Officer

Sd/-  
**VIJAY KUMAR GUPTA**  
Chief Executive Officer  
DIN: 01050958

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

The Members of  
**Vijay Textiles Limited**

We have examined the compliance of conditions of Corporate Governance by **Vijay Textiles Limited** ('the Company'), for the year ended 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement / Listing Regulations, as applicable.

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

For **LAXMINIWAS & CO**  
Chartered Accountants  
Firm Registration number: 011168S

Sd/-  
**DAYANIWAS SHARMA**  
Partner  
Membership No. 216244

Place : Hyderabad  
Date : 30th May, 2016

To  
The Members of  
**Vijay Textiles Limited**

We have audited the accompanying standalone financial statements of Vijay Textiles Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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.

### **Auditor's Responsibility**

**Our responsibility is to express an opinion on these financial statements based on our audit.**

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinion**

In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2016 ;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. 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 Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit ;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books ;
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account ;
  - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ;
  - (e) on the basis of the written representations received from the Directors as on 31st March, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2016 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" ; and
  - (g) 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, 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 25.1 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;
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **LAXMINIWAS & CO**  
Chartered Accountants  
Firm Registration number: 011168S

Sd/-

**DAYANIWAS SHARMA**  
Partner  
Membership No. 216244

Place: Hyderabad  
Date : 30th May, 2016

**ANNEXURE TO THE INDEPEDENT AUDITORS' REPORT:**

**VIJAY TEXTILES LIMITED**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2016, we report that:

- (i) a. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b. All the assets have not been physically verified by the Management during the year but there is a 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) a. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b. In our opinion, and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (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) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- (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, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues applicable to it as on 31st March 2016.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Value Added Tax, Duty of Customs, Service Tax, cess and other material statutory dues were in arrears as at 31st March 2016 for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us, there are no dues of Income Tax, Sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited with the appropriate authorities on account of any dispute except as under:

₹ In Lakhs

Nature of Statute	Nature of Dues	Period	As at 31.03.2016	Forum where dispute is pending
Income Tax	IT Matters under Dispute	2009-10	88,36,190	CIT Appeals - IV
		2010-11	1,04,54,024	AO Order is awaited
		2011-12	2,70,350	CIT Appeal - IV
	<b>TOTAL</b>		<b>1,95,60,564</b>	

- (viii) According to the information and explanation given to us, the Company has not defaulted in repayment of dues to bank and financial institutions as at balance sheet date.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Term loans were applied for the purpose for which those were raised.
- (x) 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 course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, 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.
- (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) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of 2,76,000, 10% Non-Convertible Cumulative Redeemable Preference at ₹ 100 each at par during the year to the party covered under register mentioned under Sec. 189 of the Act. The funds have been utilized for the purpose for which the funds were raised.
- (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 Registration number: 011168S

Sd/-

**DAYANIWAS SHARMA**  
Partner  
Membership No. 216244

Place : Hyderabad  
Date : 30th May, 2016

**NOTE I : SIGNIFICANT ACCOUNTING POLICIES****1.1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS****(a) Basis of Accounting**

The financial statements of Vijay Textiles Limited (VTL) or Company have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014.

**(b) Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

**(c) Current/ Non Current Classification**

All assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

**1.2. TANGIBLE AND INTANGIBLE ASSETS**

Fixed Assets are stated at cost, less accumulated depreciation. All expenditure of capital nature is capitalized. Such expenditure comprises of purchase price, import duties, levies (other than refundable) and any directly attributable cost of bringing the assets to their working condition for intended use.

Pursuant to the requirements under Schedule II to the Companies Act, 2013, the Company has identified and determined the cost of each component of an asset separately when the component has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

**Capital Work in Progress & Capital Advances**

Cost of Assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Long Term Loans & Advances.

**1.3. DEPRECIATION**

Depreciation on fixed assets is provided using straight line method based on the useful lives as prescribed under Schedule II to the Companies Act, 2013 and is charged to the Statement of Profit and Loss. Depreciation for assets purchased/sold during a period is proportionately charged.

Significant components of assets identified separately pursuant to the requirements under Schedule II of the Companies Act, 2013 are depreciated separately over their useful life.

All assets costing individually ₹ 5,000 and below are depreciated fully in the year of purchase.

**1.4. GOVERNMENT GRANTS**

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

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on systematic basis to the costs, which it is intended to compensate. Where grant or subsidy relates to an asset, its value is deducted from the gross value of the asset in arriving at the carrying amount of the related asset.

### **1.5. REVENUE RECOGNITION**

Revenue recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operation includes sale of goods and the same is recognized on transfer of significant risk and rewards.

Interest income is recognized on the time proportion basis.

### **1.6. LEASES**

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

### **1.7. INVENTORIES**

- (a) Raw Materials, work in progress, finished goods, packing materials, stores, spares, components, 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, components 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, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.

### **1.8. RETIREMENT BENEFITS TO EMPLOYEE**

#### **(a) Defined Contribution Plan:**

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognized as an expense in the Statement of Profit and Loss Statement during the period in which the employee renders the related service.

#### **(b) Defined Benefit Plan:**

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Statement of Profit and Loss.

### **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.

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**

The basic earnings per share ('EPS') is computed by dividing the net profit after tax for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earning's per share, the net profit after tax for the period attributable 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 Tax :**

The provision for taxation is based on assessable profits of the Company as determined under the Income Tax Act, 1961.

#### **(b) Deferred Tax:**

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

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

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

#### **1.14. SEGMENT REPORTING**

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.

#### **1.15. PROVISIONS AND CONTINGENCIES**

The Company creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

**BALANCE SHEET AS AT  
31ST MARCH, 2016**



**TEXTILES LIMITED**

Particulars	Note No	As at 31.03.2016 ₹	As at 31.03.2015 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	64,26,02,689	61,50,02,689
Reserves & Surplus	3	41,37,51,708	40,36,89,964
		<u>105,63,54,397</u>	<u>101,86,92,653</u>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	4	104,85,63,467	100,96,36,858
Deferred Tax Liabilities (Net)	5	9,65,06,672	9,58,04,033
		<u>114,50,70,139</u>	<u>110,54,40,891</u>
<b>Current Liabilities</b>			
Short Term Borrowings	6	56,65,90,627	57,07,13,679
Trade Payables:	7		
A) Total outstanding dues of micro enterprises and small enterprises		-	-
B) Total outstanding dues of creditors other than micro enterprises and small enterprises		18,25,08,988	14,99,01,978
Other Current Liabilities	8	21,29,38,905	18,63,42,815
Short Term Provisions	9	31,41,311	27,77,754
		<u>96,51,79,831</u>	<u>90,97,36,226</u>
<b>TOTAL</b>		<u><b>316,66,04,367</b></u>	<u><b>303,38,69,770</b></u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets :	10		
Tangible Assets		85,88,06,589	88,89,24,079
Intangible Assets		72,807	1,37,647
Capital Work-in-Progress		-	68,81,227
		<u>85,88,79,396</u>	<u>89,59,42,953</u>
Long-Term Loans and Advances	11	2,27,24,706	2,34,84,359
		<u>88,16,04,102</u>	<u>91,94,27,312</u>
<b>Current Assets</b>			
Inventories	12	90,46,31,578	86,48,87,913
Trade Receivables	13	114,70,92,201	95,36,83,104
Cash and Bank balances	14	68,39,055	5,76,62,855
Short Term Loans and Advances	15	20,65,79,078	21,30,41,990
Other Current Assets	16	1,98,58,353	2,51,66,596
		<u>228,50,00,265</u>	<u>211,44,42,458</u>
<b>TOTAL</b>		<u><b>316,66,04,367</b></u>	<u><b>303,38,69,770</b></u>
Significant Accounting Policies	1		
Notes to Accounts	25		

The Notes referred to above form an integral part of the accounts.

As per our Report of even date  
for **LAXMINIWAS & CO**  
Firm Registration Number:0111685  
Chartered Accountants  
**Dayaniwas Sharma**  
Partner  
Membership No.216244

For and on behalf of the Board  
**Vijay Textiles Limited**  
CIN : L18100TG1990PLC010973  
Sd/-

**Vijay Kumar Gupta**  
Chairman & Managing Director  
DIN:01050958

**Susheel Kumar Gupta**  
Executive Director  
DIN:00362714

**R. Malhotra**  
Finance Director & CFO  
DIN:05242639

**S. Nagarajan**  
Company Secretary  
M.No:2532

Place : Hyderabad  
Date : 30th May, 2016

**STATEMENT OF PROFIT & LOSS  
FOR THE YEAR ENDED  
31ST MARCH, 2016**



**TEXTILES LIMITED**

Particulars	Note No	Year ended 31.03.2016 ₹	Year ended 31.03.2015 ₹
<b>INCOME</b>			
Revenue from Operations		<b>107,90,40,690</b>	89,25,62,065
Other Income	17	<b>62,80,102</b>	34,38,848
<b>Total Revenue</b>		<b>108,53,20,792</b>	89,60,00,913
<b>EXPENSES</b>			
Cost of Materials Consumed	18	<b>48,50,02,904</b>	37,85,39,892
Purchase of Stock -in -Trade		<b>11,78,42,405</b>	3,72,97,573
Packing Material Consumed	19	<b>56,89,924</b>	81,77,195
Changes in Inventories of Finished Goods and Work-in-Progress	20	<b>(3,56,29,299)</b>	18,24,15,075
Manufacturing Expenses	21	<b>7,22,04,883</b>	5,58,30,763
Employee Benefit Expenses	22	<b>5,79,72,816</b>	5,34,44,453
	23	<b>20,21,72,297</b>	20,41,11,498
Depreciation and Amortization Expenses	10	<b>8,50,11,082</b>	8,79,76,865
Other Expenses	24	<b>8,42,89,397</b>	8,39,25,442
<b>Total Expenses</b>		<b>107,45,56,409</b>	109,17,18,756
<b>Profit Before Extraordinary Items and Tax</b>		<b>1,07,64,383</b>	(19,57,17,843)
Extraordinary Items		-	-
<b>Profit before tax</b>		<b>1,07,64,383</b>	(19,57,17,843)
<b>TAX EXPENSES</b>			
Deferred tax		<b>7,02,639</b>	(30,31,173)
<b>Total Tax Expenses</b>		<b>7,02,639</b>	(30,31,173)
<b>Profit for the period (after tax)</b>		<b>1,00,61,744</b>	(19,26,86,670)
Weighted Average Number of Equity Shares		<b>1,15,00,000</b>	1,15,00,000
<b>Earnings per Equity Share - Basic &amp; Diluted (Face Value of ₹ 10 each)</b>		<b>0.87</b>	-16.76
Significant Accounting Policies	I		
Notes to Accounts	25		

The Notes referred to above form an integral part of the accounts.

As per our Report of even date  
for **LAXMINIWAS & CO**  
Firm Registration Number:011168S  
Chartered Accountants

**Dayaniwas Sharma**  
Partner  
Membership No.216244

For and on behalf of the Board  
**Vijay Textiles Limited**  
CIN : L18100TG1990PLC010973  
Sd/-

**Vijay Kumar Gupta**  
Chairman & Managing Director  
DIN:01050958

**Susheel Kumar Gupta**  
Executive Director  
DIN:00362714

**R. Malhotra**  
Finance Director & CFO  
DIN:05242639

**S. Nagarajan**  
Company Secretary  
M.No:2532

Place : Hyderabad  
Date : 30th May, 2016

**CASH FLOW STATEMENT FOR THE  
YEAR ENDED 31ST MARCH, 2016**



**TEXTILES LIMITED**

Particulars	2015-2016		2014-2015	
	₹	₹	₹	₹
<b>A. Cash Flow from Operating Activities:</b>				
Net - Profit Before Tax And Extraordinary Items		<b>1,07,64,383</b>		(19,57,17,843)
Adjustment For				
Depreciation	<b>8,50,11,082</b>		8,79,76,865	
Interest	<b>20,21,72,297</b>		20,41,11,498	
Loss on Sale of Fixed Assets	<b>8,391</b>		65,184	
Profit on Sale of Fixed Assets	<b>(7,951)</b>		-	
Assets Written off	-		61,668	
Interest Received	<b>(10,54,157)</b>		(22,95,248)	
Interest Subsidy Received	<b>(5,01,974)</b>		(5,15,366)	
		<b>28,56,27,688</b>		28,94,04,601
<b>Operating Profit Before Working Capital Changes</b>		<b>29,63,92,071</b>		9,36,86,758
Adjustment For				
Trade & other Receivables	<b>(18,08,29,001)</b>		(18,77,32,657)	
Inventories	<b>(3,97,43,665)</b>		17,12,75,556	
Trade & other Payables	<b>5,95,66,657</b>		(7,18,24,887)	
		<b>(16,10,06,009)</b>		(8,82,81,988)
<b>Cash Generated From Operations</b>		<b>13,53,86,062</b>		54,04,770
Direct Taxes Paid		<b>(49,288)</b>		(14,165)
<b>Net Cash Flow From Operating Activities (A)</b>		<b>13,53,36,774</b>		53,90,605
<b>B. Cash Flow From Investing Activities</b>				
Purchase of Fixed Assets	<b>(5,51,29,192)</b>		(4,28,19,593)	
Decrease In Capital Work In Progress	<b>68,81,227</b>		3,25,66,808	
Sale of Fixed Assets	<b>3,00,000</b>		16,00,000	
Interest Received	<b>10,54,157</b>		22,95,248	
		<b>(4,68,93,808)</b>		(63,57,537)
<b>Net Cash Used In Investing Activities (B)</b>		<b>(4,68,93,808)</b>		(63,57,537)

**Cash Flow Statement For The Year  
Ended 31st March, 2016 (Contd.)**



**TEXTILES LIMITED**

Particulars	2015-2016		2014-2015	
	₹	₹	₹	₹
<b>C. Cash Flow From Financing Activities</b>				
Decrease In Short Term Borrowings	<b>(41,23,052)</b>		(26,98,99,609)	
Increase In Long Term Borrowings	<b>3,89,26,609</b>		52,83,08,675	
Proceeds From Preference Share Capital	<b>2,76,00,000</b>		-	
Interest Subsidy Received	<b>5,01,974</b>		5,15,366	
Interest Paid	<b>(20,21,72,297)</b>		(20,41,11,498)	
		<b>(13,92,66,766)</b>		5,48,12,934
<b>Net Cash Used In Financing Activities (C)</b>		<b>(13,92,66,766)</b>		5,48,12,934
<b>Net Increase/ (Decrease) In Cash And Cash Equivalents (A+B+C)</b>		<b>(5,08,23,800)</b>		5,38,46,002
<b>Opening Cash And Cash Equivalents</b>		<b>5,76,62,855</b>		38,16,853
<b>Closing Cash And Cash Equivalents</b>		<b>68,39,055</b>		5,76,62,855

The Notes referred to above form an integral part of the accounts.

As per our Report of even date  
for **LAXMINIWAS & CO**  
Firm Registration Number:011168S  
Chartered Accountants

**Dayaniwas Sharma**  
Partner  
Membership No.216244

Place : Hyderabad  
Date : 30th May, 2016

For and on behalf of the Board  
**Vijay Textiles Limited**  
CIN : LI8100TG1990PLC010973

Sd/-

**Vijay Kumar Gupta**  
Chairman & Managing Director  
DIN:01050958

**R. Malhotra**  
Finance Director & CFO  
DIN:05242639

**Susheel Kumar Gupta**  
Executive Director  
DIN:00362714

**S. Nagarajan**  
Company Secretary  
M.No:2532

Particulars	As at	As at
	31.03.2016	31.03.2015
	₹	₹
<b>NOTE 2 : SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
2,00,00,000 (Previous Year : 2,00,00,000) Equity Shares of ₹ 10/- each	<b>20,00,00,000</b>	20,00,00,000
53,00,000 (Previous Year : 50,00,000) 10% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 100/- each	<b>53,00,00,000</b>	50,00,00,000
<b>TOTAL</b>	<b>73,00,00,000</b>	70,00,00,000
<b>Issued, Subscribed and Paid-Up Capital</b>		
1,15,00,000 (Previous Year : 1,15,00,000) Equity Shares of ₹ 10/- each	<b>11,50,00,000</b>	11,50,00,000
52,76,000 (Previous Year : 50,00,000) 10% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 100/- each	<b>52,76,00,000</b>	50,00,00,000
Share Forfeiture	<b>2,689</b>	2,689
<b>TOTAL</b>	<b>64,26,02,689</b>	61,50,02,689

**Notes:**

**(a) Reconciliation of shares outstanding at the beginning and at the end of the year**

Particulars	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
<b>Equity Shares</b>				
At the beginning of the period	1,15,00,000	11,50,00,000	1,15,00,000	11,50,00,000
Add: Issued during the year				
At the closing of the period	1,15,00,000	11,50,00,000	1,15,00,000	11,50,00,000
<b>Preference Shares</b>				
At the beginning of the period	50,00,000	50,00,00,000	50,00,000	50,00,00,000
Issued during the period	2,76,000	2,76,00,000	-	-
At the closing of the period	52,76,000	52,76,00,000	50,00,000	50,00,00,000

**(b) (i) Rights, preference and restrictions attached to Equity Shares**

The Company has only one class of equity shares having a par value of ₹ 10/- each per share (Previous Year : ₹ 10/- each). Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

**(ii) Rights, preference and restrictions attached to Preference Shares**

Type of Shares	No. of Shares	Allotment Date	Dividend Accrual Date	Redemption Period
10% Non-Convertible Cumulative Redeemable Preference Shares ₹ 100/- each	50,00,000	24th March, 2012	1st April, 2012	20
	2,76,000	29th October, 2015	1st April, 2016	8

Refer Note No. 25

**(c) (i) Details of Shareholders holding more than 5% equity shares in the Company**

Name of the Shareholder	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	%	No. of Shares	%
Equity Share of ₹ 10/- each held by				
1. Vijay Kumar Gupta	34,98,016	30.42	30,88,816	26.86
2. Susheel Kumar Gupta	21,79,699	18.95	20,11,699	17.49
3. State Bank of India	-	-	15,00,000	13.04

**(ii) Details of Shareholders holding more than 5% preference shares in the Company**

Name of the Shareholder	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	%	No. of Shares	%
Preference Share of ₹ 100/- each held by				
1. Vijay Kumar Gupta	<b>52,76,000</b>	<b>100</b>	50,00,000	100

Particulars	As at 31.03.2016 ₹	As at 31.03.2015 ₹
<b>Note 3 : RESERVES &amp; SURPLUS</b>		
Securities Premium Reserve	<b>19,43,12,510</b>	19,43,12,510
General Reserve	<b>31,52,61,541</b>	31,52,61,541
Capital Reserve	<b>1,70,00,000</b>	1,70,00,000
Surplus in the Statement of Profit & Loss Account		
Opening Balance	<b>(12,28,84,087)</b>	7,54,04,272
Add : Profit/(Loss) for the period	<b>1,00,61,744</b>	(19,26,86,670)
Less: Assets transfer to retained profit	-	(56,01,689)
Net Surplus in the Statement of Profit & Loss	<b>(11,28,22,343)</b>	(12,28,84,087)
<b>TOTAL</b>	<b>41,37,51,708</b>	<b>40,36,89,964</b>

Particulars	As at	As at
	31.03.2016	31.03.2015
	₹	₹
<b>Note 4 : LONG TERM BORROWINGS</b>		
<b>A. Secured</b>		
Term Loan From Banks (Refer Note I)	<b>68,72,55,343</b>	83,24,60,877
Vehicle Loans (Refer Note II)	<b>73,48,124</b>	33,91,329
<b>B. Unsecured</b>		
Loans and Advances from other related parties (Refer Note III)	<b>35,39,60,000</b>	17,37,84,652
<b>TOTAL</b>	<b>104,85,63,467</b>	100,96,36,858

**Notes:**

(I) **Term Loans from banks namely Axis Bank Limited, State Bank of Hyderabad and State Bank of India, 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 Kumat 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 Hyderabad 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. Axis Bank - Term Loan repayable in 68 monthly instalments. Repayable during the financial year 2016-2021 ₹ 43.00 Lakhs per annum, 2021 to 2022 ₹ 32.00 Lakhs per annum commencing from 31st July, 2015, carrying interest @ 2.25% p.a. above the base rate of the bank.
2. Axis Bank - Funded Interest Term Loan repayable in 68 monthly instalments. Repayable during the financial year 2016-2021 ₹ 7.80 Lakhs per annum, 2021 to 2022 ₹ 5.50 Lakhs per annum commencing from 31st July, 2015, carrying interest @2.25% p.a. above the base rate of the bank.
3. Axis Bank - Working Capital Term Loan repayable in 50 monthly instalments. Repayable during the financial year 2016-2020 ₹ 111.00 Lakhs per annum, 2020 to 2021 ₹84.00 Lakhs per annum commencing from 31st July, 2015, carrying interest @2.25% p.a. above the base rate of the bank.
4. Axis Bank - Priority Debt Loan repayable in 50 monthly instalments. Repayable during the financial 2016-2020 ₹ 39.00 Lakhs per annum, 2020 to 2021 ₹ 9.80 Lakhs per annum commencing from 31st July, 2015, carrying an interest @2.25% above the base rate of the bank.
5. State Bank of Hyderabad - Term Loan -I,II,III and IV repayable in 68 monthly instalments. Repayable during the calendar year 2016 ₹ 584 Lakhs, 2017 to 2021 ₹ 768.00 Lakhs per annum commencing from 31st July, 2015, carrying interest @2.50% p.a. above the base rate of the bank.



6. State Bank of Hyderabad - Funded Interest Term Loan repayable in 68 equal monthly instalments. Repayable during the calendar year 2016 to 2017 ₹ 108.00 Lakhs per annum, 2018 to 2021 ₹ 132.00 Lakhs per annum commencing from 31st July,2015,carrying interest @2.50% p.a.above the base rate of the bank.
7. State Bank of Hyderabad -Working Capital Term Loan repayable in 56 monthly instalments.Repayable during the calendar year, 2016 ₹ 40.50 Lakhs and 2017 ₹ 54.00 Lakhs per annum, 2018 to 2020 ₹ 55.00 Lakhs per annum commencing from 31st July,2015,carrying interest @2.50% p.a. above the base rate of the bank.
8. State Bank of Hyderabad - Priority Debt Loan repayable in 50 monthly instalments. Repayable during the calendar year 2016 ₹ 72.00 Lakhs and 2017 to 2019 ₹ 96.00 Lakhs per annum, 2020 ₹ 34.00 Lakhs per annum commencing from 31st July,2015, carrying interest @2.50% p.a. above the base rate of the bank.
9. State Bank of India - Term Loan -I,II,III and IV repayable in 68 monthly instalments. Repayable during the calendar year, 2016 ₹ 54.00 Lakhs 2017 to 2021 ₹ 73.00 Lakhs per annum commencing from 31st July,2015, carrying interest @2.50% p.a. above the base rate of the bank.
10. State Bank of India - Funded Interest Term Loan - repayable in 68 monthly instalments. Repayable during the calendar year 2016 ₹ 55.00 Laksh 2017 to 2021 ₹ 13.00 Lakhs per annum commencing from 31st July,2015, carrying interest @2.50% p.a. above the base rate of the bank.
11. State Bank of India - Working Capital Term Loan - repayable in 58 monthly instalments. Repayable during the calendar year 2016 ₹ 144.00 Lakhs, 2017 to 2020 ₹ 197.00 Lakhs per annum commencing from 31st July,2015, carrying interest @2.50% p.a. above the base rate of the bank.
12. State Bank of India - Priority Debt Term Loan - repayable in 50 monthly instalments. Repayable during the calendar year 2016 ₹ 54.00 Lakhs, 2017 to 2019 ₹ 69.00 Lakhs per annum, 2020 to 2021 ₹ 34.00 Lakhs per annum commencing from 31st July,2015,carrying an interest rate 2.50% above base rate.

**(II) a. Vehicle Loans is secured by way of hypothecation of specific vehicle financed.**

**b. Terms of Repayment:**

1. Loan availed from HDFC Bank Ltd., under Loan Account No.27578920 is repayable in monthly installment of ₹ 2.29 Lakhs each inclusive of interest ending on 7th March,2017.
2. Loan availed from HDFC Bank Ltd., under Loan Account No.27580816 is repayable in monthly installment of ₹ 0.75 Lakhs each inclusive of interest ending on 7th March,2017.
3. Loan availed from HDFC Bank Ltd., under Loan Account No.32680612 is repayable in monthly installment of ₹ 1.30 Lakhs each inclusive of interest ending on 7th May,2018.
4. Loan availed from HDFC Bank Ltd., under Loan Account No.32957442 is repayable in monthly installment of ₹ 0.92 Lakhs each inclusive of interest ending on 5th May,2018.
5. Loan availed from HDFC Bank Ltd., under Loan Account No.32957925 is repayable in monthly installment of ₹ 1.15 Lakhs each inclusive of interest ending on 5th May,2018.
6. Loan availed from HDFC Bank Ltd., under Loan Account No.33510349 is repayable in monthly installment of ₹ 0.55 Lakhs each inclusive of interest ending on 5th July,2018.
7. Loan availed from HDFC Bank Ltd., under Loan Account No.33510860 is repayable in monthly installment of ₹ 0.55 Lakhs each inclusive of interest ending on 5th July,2018.
8. Loan availed from Toyota Financial Services India Ltd., under Loan Account No.NHYD1055446 is repayable in monthly installment of ₹ 0.37 Lakhs each inclusive of interest ending on 20th October,2018.
9. Loan availed from Toyota Financial Services India Ltd., under Loan Account No.NHYD1055447 is repayable in monthly installment of ₹ 0.37 Lakhs each inclusive of interest ending on 20th October,2018.

**III) Unsecured Loans From Related Parties**

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 6 years ending on 15th April, 2022.

Particulars	As at 31.03.2016 ₹	As at 31.03.2015 ₹
<b>Note 5 : DEFERRED TAX LIABILITIES (NET)</b>		
Opening Balance	9,58,04,033	9,88,35,206
Provision for the year ended	7,02,639	(30,31,173)
<b>Closing Balance</b>	<b>9,65,06,672</b>	<b>9,58,04,033</b>
<b>Note 6 : SHORT TERM BORROWINGS</b>		
Working Capital Borrowings from Banks	56,65,90,627	57,07,13,679
<b>TOTAL</b>	<b>56,65,90,627</b>	<b>57,07,13,679</b>

**Note:**

**Working Capital facilities availed by the Company from State Bank of India, State Bank of Hyderabad and Axis Bank Limited are secured by:**

- (a) Pari-Passu first charge on all chargeable current assets of the Company in favour of State Bank of India, State Bank of Hyderabad, Axis Bank Limited (excluding credit card receivables, which are charged to State Bank of Hyderabad 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.

Particulars	As at 31.03.2016 ₹	As at 31.03.2015 ₹
<b>Note 7 : TRADE PAYABLES</b>		
<b>Trade Payables</b>		
(a) Due to micro and small enterprises	-	-
(b) Due to other than micro and small enterprises	<u>18,25,08,988</u>	<u>14,99,01,978</u>
<b>TOTAL</b>	<u><b>18,25,08,988</b></u>	<u><b>14,99,01,978</b></u>

The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under:

S.No	Particulars	As at 31.03.2016 ₹	As at 31.03.2015 ₹
1.	Principal amount due and remaining unpaid	Nil	Nil
2.	Interest due on above and the unpaid interest	Nil	Nil
3.	Interest paid	Nil	Nil
4.	Payment made beyond the appointed day during the year	Nil	Nil
5.	Interest due and payable for the period of delay	Nil	Nil
6.	Interest accrued and remaining unpaid	Nil	Nil
7.	Amount of further interest remaining due and payable in succeeding years	Nil	Nil

**Note 8 : OTHER CURRENT LIABILITIES**

Term Loan instalments due less than 12 months	<b>14,78,29,352</b>	12,01,65,000
Vehicle Loan instalments due less than 12 months	<b>85,97,054</b>	40,15,147
Interest Accrued and Due on Borrowings	<b>83,72,434</b>	48,24,079
Unclaimed Dividend	<b>5,66,535</b>	8,61,846
Other Liabilities	<u><b>4,75,73,530</b></u>	<u>5,64,76,743</u>
<b>TOTAL</b>	<u><b>21,29,38,905</b></u>	<u><b>18,63,42,815</b></u>

Note: Please refer to notes under Note:4 for details of repayment of loans and securities charged to the lenders.

**Note 9 : SHORT TERM PROVISIONS**

Provision for Bonus	<b>12,88,635</b>	12,33,170
Provision for Leave Encashment	<b>14,31,039</b>	12,90,264
Provision for Incentives	<b>1,56,154</b>	1,51,887
Provision for Gratuity	<u><b>2,65,483</b></u>	<u>1,02,433</u>
<b>TOTAL</b>	<u><b>31,41,311</b></u>	<u><b>27,77,754</b></u>

**Note 10 : FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2015	Additions	Deletion/ Adjustment	As at 31.03.2016	As at 01.04.2015	For Reserves	For P & L	Deletion/ Adjustment	Assets written off (Zero Net Value)	As at 31.03.2016	As at 31.03.2015
<b>Tangible Assets:</b>											
Land	7,62,54,798	-	-	7,62,54,798	-	-	-	-	-	-	7,62,54,798
Building	22,25,09,987	-	-	22,25,09,987	4,23,02,843	66,99,050	66,99,050	-	-	4,90,01,893	17,35,08,094
Lease Hold Property	9,51,43,860	-	-	9,51,43,860	2,61,02,357	38,97,318	38,97,318	-	-	2,99,99,675	6,51,44,185
Plant & Machinery	51,16,70,447	2,82,89,440	-	53,99,59,887	16,25,36,514	2,12,50,548	2,12,50,548	-	-	18,37,87,062	35,61,72,825
Electrical Installation	8,29,04,094	33,05,085	-	8,62,09,179	3,63,76,990	1,27,22,041	1,27,22,041	-	-	4,90,99,031	3,71,10,148
Furniture & Fixtures	28,49,03,551	43,66,966	-	28,92,70,517	13,25,31,773	3,52,45,626	3,52,45,626	-	-	16,77,77,399	12,14,93,118
Office Equipment	36,35,355	-	-	36,35,355	33,01,649	1,14,415	1,14,415	-	-	34,16,064	2,19,291
Vehicles	2,85,13,539	1,88,58,933	17,32,184	4,56,40,288	1,38,70,829	46,78,259	46,78,259	14,31,744	-	1,71,17,344	2,85,22,944
Computers	15,64,544	3,08,768	-	18,73,312	11,53,141	3,38,985	3,38,985	-	-	14,92,126	3,81,186
Sub Total (A)	130,71,00,175	5,51,29,192	17,32,184	136,04,97,183	41,81,76,096	8,49,46,242	8,49,46,242	14,31,744	-	50,16,90,594	85,88,06,589
<b>Intangible Assets:</b>											
Computer - Software	10,47,823	-	-	10,47,823	9,10,176	64,840	64,840	-	-	9,75,016	72,807
Sub Total (B)	10,47,823	-	-	10,47,823	9,10,176	64,840	64,840	-	-	9,75,016	72,807
TOTAL(A+B)	130,81,47,998	5,51,29,192	17,32,184	136,15,45,006	41,90,86,272	8,50,11,082	8,50,11,082	14,31,744	-	50,26,65,610	85,88,79,396
Previous Year	128,65,98,932	4,28,19,593	41,82,149	130,81,47,998	34,50,51,393	56,01,689	8,79,76,865	24,55,297	1,70,88,378	41,90,86,272	88,90,61,726
Capital Work In Progress											68,81,227

Particulars	As at 31.03.2016 ₹	As at 31.03.2015 ₹
<b>Note 11 : LONG TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
Capital Advance	-	13,00,000
<b>Security Deposits:</b>		
Rental Deposit	1,69,81,000	1,69,81,000
Deposits with suppliers and for Services	4,79,795	4,70,133
Deposits with Government Bodies	52,63,911	47,33,226
<b>TOTAL</b>	<b>2,27,24,706</b>	<b>2,34,84,359</b>
<b>Note 12 : INVENTORIES</b>		
( At lower of cost or net realisable value)		
Raw-Material	6,22,32,272	6,27,72,001
Work- in- Progress	2,05,66,974	2,49,97,190
Finished Goods	78,85,54,290	74,84,94,775
Stores & Consumables	3,32,78,042	2,86,23,947
<b>TOTAL</b>	<b>90,46,31,578</b>	<b>86,48,87,913</b>
<b>Note 13 : TRADE RECEIVABLES</b>		
<b>Unsecured, Considered Good</b>		
Outstanding for a period exceeding six months	76,09,20,120	68,45,61,075
Others	38,61,72,081	26,91,22,029
<b>TOTAL</b>	<b>114,70,92,201</b>	<b>95,36,83,104</b>
<b>Note 14 : CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	3,23,273	9,60,749
Bank Balance with Scheduled Banks		
- In Current Accounts	49,90,292	5,49,50,512
- In Unclaimed Dividend Accounts (Refer Note a)	5,70,230	8,65,598
- In Term Deposit Account (Refer Note b)	9,55,260	8,85,996
<b>TOTAL</b>	<b>68,39,055</b>	<b>5,76,62,855</b>
<b>Notes:</b>		
a) Section 205 of Companies Act, 1956 mandates that Companies transfer dividend that has been unclaimed for a period of seven years from unpaid dividend account to the Investor Education and Protection Fund (IEPF). Accordingly, if dividend is unclaimed for a period of seven years, it will be transferred to IEPF.		
b) Term deposits are held as margins for issue of Bank Guarantees.		

Particulars	As at 31.03.2016 ₹	As at 31.03.2015 ₹
<b>Note 15 : SHORT TERM LOANS &amp; ADVANCES (Un Secured and Considered Good)</b>		
Advances for Supplies and Services	3,98,713	9,37,290
Pre Paid Expenses	26,94,783	20,27,686
Receivable against cancellation of Tech-Park Project	20,29,91,933	20,79,91,933
Loans and Advances to Employees	4,83,649	4,34,581
Other Advances	10,000	16,50,500
<b>TOTAL</b>	<b>20,65,79,078</b>	<b>21,30,41,990</b>
<b>Note 16 : OTHER CURRENT ASSETS</b>		
Income Tax Receivable	1,92,03,614	1,91,54,326
Service Tax Receivable	-	2,80,182
Interest Receivable	3,71,375	-
Interest Subsidy Receivable	-	5,15,366
Other Current Assets	2,83,364	52,16,722
<b>TOTAL</b>	<b>1,98,58,353</b>	<b>2,51,66,596</b>

**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS**

Particulars	Year ended 31.03.2016 ₹	Year ended 31.03.2015 ₹
<b>Note 17 : OTHER INCOME</b>		
Interest Received	10,54,157	22,95,248
Interest Subsidy Received	5,01,974	5,15,366
Miscellaneous Income	47,23,971	6,28,234
<b>TOTAL</b>	<b>62,80,102</b>	<b>34,38,848</b>
<b>Note 18 : COST OF RAW MATERIALS CONSUMED</b>		
Opening Stock	6,27,72,001	5,06,30,878
Add: Purchases	48,44,63,175	39,06,81,015
	<b>54,72,35,176</b>	<b>44,13,11,893</b>
Less: Closing Stock	6,22,32,272	6,27,72,001
Consumption	<b>48,50,02,904</b>	<b>37,85,39,892</b>

**NOTES FORMING PART OF  
STATEMENT OF PROFIT AND LOSS**



**TEXTILES LIMITED**

Particulars	Year ended 31.03.2016 ₹	Year ended 31.03.2015 ₹
<b>Note 19 : PACKING MATERIAL CONSUMED</b>		
Opening Stock	7,46,428	33,36,520
Add: Purchases	<u>56,09,825</u>	<u>55,87,103</u>
	<b>63,56,253</b>	<b>89,23,623</b>
Less: Closing Stock	<u>6,66,329</u>	<u>7,46,428</u>
Consumption	<u><b>56,89,924</b></u>	<u><b>81,77,195</b></u>
<b>Note 20 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>		
<b>OPENING STOCK</b>		
Finished Goods	74,84,94,775	94,40,74,875
Stock in Process	<u>2,49,97,190</u>	<u>1,18,32,165</u>
<b>TOTAL (A)</b>	<u><b>77,34,91,965</b></u>	<u><b>95,59,07,040</b></u>
<b>CLOSING STOCK</b>		
Finished Goods	78,85,54,290	74,84,94,775
Stock in Process	<u>2,05,66,974</u>	<u>2,49,97,190</u>
<b>TOTAL (B)</b>	<u><b>80,91,21,264</b></u>	<u><b>77,34,91,965</b></u>
<b>Net Increase/(Decrease) in Stocks (A-B)</b>	<b>3,56,29,299</b>	<b>(18,24,15,075)</b>
<b>Note 21 : MANUFACTURING EXPENSES</b>		
Carriage & Freight	42,86,829	39,24,803
Consumption of Firewood	2,22,32,165	1,73,87,844
Power & Fuel	2,11,97,119	1,56,03,916
Consumption of Design & Development	44,03,979	17,16,456
Consumption of Stores & Consumables	36,98,660	39,71,138
Other Manufacturing Expenses	45,83,898	57,11,409
Repairs to Plant & Machinery	50,72,038	14,90,974
Effluent Treatment Plant Expenses	<u>67,30,195</u>	<u>60,24,223</u>
<b>TOTAL</b>	<u><b>7,22,04,883</b></u>	<u><b>5,58,30,763</b></u>
<b>Note 22 : EMPLOYEE BENEFIT EXPENSES</b>		
Managerial Remuneration	81,00,000	45,00,000
Office Staff Salaries	1,27,28,730	1,37,49,240
Factory Wages & Salaries	2,55,25,309	2,46,29,098
Employees Benefit	39,82,337	37,10,396
Incentives	23,29,454	23,68,184
Gratuity	9,32,145	2,00,273
Contribution to P.F and E.S.I	<u>43,74,841</u>	<u>42,87,262</u>
<b>TOTAL</b>	<u><b>5,79,72,816</b></u>	<u><b>5,34,44,453</b></u>

Particulars	Year ended 31.03.2016 ₹	Year ended 31.03.2015 ₹
<b>Note 23 : FINANCE COSTS</b>		
Interest Charges	19,73,68,957	19,30,13,338
Other borrowing Charges	43,67,790	1,06,06,883
Bank and Finance Charges	4,35,550	4,91,277
<b>TOTAL</b>	<b>20,21,72,297</b>	<b>20,41,11,498</b>
<b>Note 24 : OTHER EXPENSES</b>		
Rent	27,03,708	27,03,708
Lease Rental Charges	2,62,49,826	2,37,05,339
Rates, Taxes, Licences & Fees	48,80,454	43,88,824
Printing & Stationery	11,92,168	8,47,748
Postage & Telephones	29,86,138	20,90,654
Office Electricity & Water	1,23,74,896	1,28,42,323
Travelling & Conveyance	21,90,232	21,21,696
Advertisement & Publicity	48,78,673	84,95,196
Agents Commission	46,08,826	59,75,726
Selling Expenses	59,72,610	37,27,612
Insurance	26,66,964	35,14,286
Remuneration to Auditors :		
Audit Fees	4,00,750	4,04,496
Tax Audit Fees	1,14,500	1,01,124
Directors' Sitting Fees	90,000	90,000
Legal & Professional Charges	17,46,690	39,61,375
Repairs to Buildings	18,12,143	17,58,262
Repairs to Other Assets	52,21,913	21,28,848
Vehicle Maintenance	15,28,915	14,06,177
Miscellaneous Expenses	15,43,646	35,18,688
Loss on Sale of Fixed Assets	11,26,345	81,692
Assets Written Off	-	61,668
<b>TOTAL</b>	<b>8,42,89,397</b>	<b>8,39,25,442</b>



**NOTE 25 : NOTES TO ACCOUNTS**

**25.1. 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 ₹ 63,10,000/- Lakhs. (Previous year ₹ 62,80,000/- 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	07th April, 2016	The Company has already submitted an application to Joint Director General of Foreign Trade on 22.02. 2016 seeking further extension of 2 years until 07.04.2018 for fulfilling the export obligation and the same is under consideration for approval.
	5, 87,13,076	6	09th August 2016	The Company has already submitted an application to Joint Director General Foreign Trade on 18.05.2016 seeking further extension of 2 years until 08.08.2018 for fulfilling the export obligation and the same is under consideration for approval.
	11,36,33,520	8	28th November 2019	NIL

**(iii) Income Tax Matters**

Assessment year	Amount Outstanding as on 31.03.16	Amount Outstanding as on 31.03.15	Appeal Pending with
2009-10	88,36,190	16,34,000	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 is pending for disposal.
2010-11	1,04,54,024	1,04,54,024	Appeal decided by CIT (A) - IV in favor of the Company and further Department's appeal before ITAT was dismissed. In the result consequential order to be passed by AO is awaited.
2011-12	2,70,350	2,70,350	The Assessing Officer vide Assessment Order 27.03.2014 raised a demand against which Company has preferred an appeal before CIT Appeal - IV on 01.05.2014 and the same is pending for disposal.

(b) **Commitments**

Estimated amount of liability on account of Capital Commitments of ₹ 15,00,000. (Previous year ₹ 78,61,510/- Lakhs).

25.2 (a) **Raw Materials Consumed**

Type of Raw Material	Year 2015-16	Year 2014-15
(a) Grey Cloth	29,10,99,912	28,12,08,886
(b) Textile Fabrics	12,71,51,450	4,09,18,757
(c) Others	6,67,51,542	5,64,12,249
<b>TOTAL</b>	<b>48,50,02,904</b>	<b>37,85,39,892</b>

(b) **Trading Goods Purchased**

Type of Trading Goods	Year 2015-16	Year 2014-15
Textile Fabrics	10,70,99,700	2,76,58,945
Others	1,07,42,705	96,38,628
<b>TOTAL</b>	<b>11,78,42,405</b>	<b>3,72,97,573</b>

(c) **Turnover**

Particulars	Year 2015-16	Year 2014-15
(i) Manufactured Goods		
Textile Fabrics	83,17,25,948	73,03,96,368
Others	6,21,32,599	8,46,47,865
(ii) Traded Goods		
Textile Fabrics	16,17,87,312	6,53,10,502
Others	2,33,94,831	1,22,07,330
<b>TOTAL</b>	<b>107,90,40,690</b>	<b>89,25,62,065</b>

(d) **Stock**

Opening Inventory	As at 31.03.16	As at 31.03.15
(i) <b>Manufactured Goods</b>		
Textile Fabrics	47,53,04,073	68,90,38,262
Others	4,07,14,133	3,69,75,936
(ii) <b>Trading Goods</b>		
Textile Fabrics	21,78,39,061	20,51,14,110
Others	1,46,37,508	1,29,46,567
<b>TOTAL</b>	<b>74,84,94,775</b>	<b>94,40,74,875</b>

Closing Inventory	As at 31.03.2016	As at 31.03.2015
<b>(i) Manufactured Goods</b>		
Textile Fabrics	42,70,27,589	47,53,04,073
Others	3,75,55,116	4,07,14,133
<b>(ii) Trading Goods</b>		
Textile Fabrics	28,75,27,004	21,78,39,061
Others	3,64,44,581	1,46,37,508
<b>TOTAL</b>	<b>78,85,54,290</b>	<b>74,84,94,775</b>

### 25.3 Expenditure in Foreign Currency

Particulars	Year 2015-16	Year 2014-15
Travelling Expenses	2,20,038	2,81,855

### 25.4 Earnings of Foreign Currency

Particulars	Year 2015-16	Year 2014-15
FOB value of Exports	26,72,148	44,50,865

**25.5** Capital Work in Progress is ₹ Nil. (Previous year ₹ 68,81,227 Lakhs).

**25.6** Preference Shareholder vide letter dated 04th May 2016 has given consent to forego the accumulated dividend of ₹ 20 Crores payable by the Company up to the year ended 31st March 2016. For payment of dividend for the subsequent years, management is in discussion with the Preference shareholder for revised terms & conditions.

### 25.7 Employee Benefits:

As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee Benefits in the Accounting Standard are given below:

**Defined Contribution Plan:** Refer Note No. 22

#### 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:

Particulars	Year 2015-16	Year 2014-15
<b>I. Assumptions</b>		
Discount Rate	7.46%	6.00%
Rate of Return on Plan Assets	11.00%	11.00%
Salary Escalation Average for next seven years	6.00%	6.00%
<b>II. Table Showing Change in Benefit Obligation</b>		
Liability at the beginning of the year	73,76,726	72,83,542
Interest Cost	5,49,479	5,46,377
Current Service Cost	9,82,386	10,23,885
Benefit Paid	(5,71,099)	(10,09,344)
Actuarial (gain)/loss on obligations	(65,391)	(4,67,734)
Liability at the end of the year	82,72,101	73,76,726
<b>III. Tables of Fair value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the Period	72,74,293	66,98,891
Adjustment to Opening Balance	(6,735)	7,280
Expected Return on Plan Assets	8,08,477	7,19,301
Contributions	7,75,830	6,75,211
Benefit Paid	(5,71,099)	(10,09,344)
Actuarial gain/(loss) on Plan Assets	(2,74,148)	1,82,954
Fair Value of Plan Assets at the end of the year	80,06,618	72,74,293
Total Actuarial Gain/(Loss) to be Recognized	(2,74,148)	1,82,954
<b>IV. Actual Return on Plan Assets:</b>		
Expected Return on Plan Assets	8,08,477	7,19,301
Actuarial gain/(loss) on Plan Assets	(2,74,148)	1,82,954
Actual Return on Plan Assets	5,34,359	9,02,255
<b>V. Amount Recognized in the Balance Sheet</b>		
Liability at the end of the year	82,72,101	72,83,542
Fair Value of Plan Assets at the end of the year	80,06,618	72,74,293
Difference	(2,65,483)	(1,02,433)
Net Assets/(Liabilities) Recognized in the Balance Sheet	(2,65,483)	1,02,433

(Continue)

Particulars	Year 2015-16	Year 2014-15
<b>VI. Expenses Recognized in the Income Statement</b>		
Current Service Cost	9,82,386	10,23,886
Interest Cost	5,49,479	5,46,377
Expected Return on Plan Assets	(8,08,477)	(7,19,301)
Net Actuarial (Gain)/Loss To Be Recognized	(2,08,757)	(6,50,688)
Expense Recognized in P & L	9,32,145	2,00,273
<b>VII. Balance Sheet Reconciliation</b>		
Opening Net Liability	1,02,433	5,84,651
Adjustment to opening balance	6,735	(7,280)
Expense as above	9,32,145	2,00,273
Employer's Contribution	(7,75,830)	6,75,211
Amount Recognized in Balance Sheet	2,65,483	1,02,433

**25.8** Borrowing cost capitalized during the year on various assets is ₹ Nil. (Previous year Nil).

**25.9** The Company's operations mainly consist of only one segment-Textile Fabrics and therefore the figures as above relate to that segment.

**25.10 Related Parties Disclosures:**

Information of Related Party Transactions as required by AS 18 on "Related Party Disclosures" for the year ended 31st March, 2016 :

**A. List of Related Parties**

**(I) Directors and their Relatives**

Shri Vijay Kumar Gupta  
Shri Susheel Kumar Gupta  
Smt. Shashikala Gupta  
Shri Rakesh Malhotra

**(II) Key Managerial Person**

Shri S. Nagarajan, Company Secretary

**(III) Director's Interest**

Rajvir Industries Limited  
Vijay Racing Farms Private Limited  
Vijay Infotech Ventures

**B. Transactions/balances outstanding with related parties**

Sl. No.	Transactions/ Outstanding balances	Directors/ Relatives	Director's interest in firm/company	Key Managerial Personnel/ Relatives	Total
1	Remuneration	81,00,000	-	15,00,000	96,00,000
2	Rent / Lease	27,03,708	-	-	27,03,708
3	Interest on Unsecured Loan	2,40,42,948	-	-	2,40,42,948
4	Unsecured Loan - Taken	48,69,75,000	-	-	48,69,75,000
5	Unsecured Loan - Repaid	30,67,99,652	-	-	30,67,99,652
6	Amount payable at the year end	2,21,55,265	-	-	2,21,55,265
7	Unsecured Loans Outstanding as at 31.03.2016	35,39,60,000	-	-	35,39,60,000

**25.11** During the year Company has paid arrears of ₹ 18,00,000/- towards Managerial Remuneration to Shri Vijay Kumar Gupta, Managing Director as per the Central Government approval dated: 03.11.2015.

**25.12.** Pursuant to Accounting Standard (AS - 19) - Leases

**Assets taken on Operating Lease**

- The Company's Lease Agreement is in respect of Building at Ameerpet, Kukatpally, Dilsukhnagar, and A.S. Rao Nagar show rooms. The Leasing arrangement is for a longer period and renewable by mutual consent on mutually agreeable terms.
- Lease rentals payable are charged as "Lease Rental charges" under "Other Expenses" in Note-23.
- Future minimum lease rentals payable as per the lease agreements :

Particulars	Year	Year
	31.03. 2016*	31.03.2015
(i) Not Later than one year	<b>2,14,84,726</b>	2,39,90,114
(ii) Later than one year but not later than 5 years	<b>10,97,04,163</b>	10,98,46,600
(iii) Later than five years	<b>9,65,24,121</b>	10,90,70,148

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

**25.13 Deferred Taxes**

The breakup of Deferred Tax Liability as on 31st March, 2016 is as follows:

Particulars	As at 31.03.2016	As at 31.03.2015
Opening Deferred Tax Liability (Net)	<b>(9,58,04,033)</b>	(9,88,35,206)
Recognition of Asset/(Liability) during the year on account of Depreciation	<b>(7,02,639)</b>	30,31,173
<b>Closing Deferred Tax Liability (Net)</b>	<b>9,65,06,672</b>	9,58,04,033

- 25.14.** In accordance with the Accounting Standard (AS-28) 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 31st March 2016.
- 25.15.** The Company has not provided for cess u/s 44IA of The Companies Act, 1956, as the Central Government has not specified the rules and manner of depositing the same.
- 25.16.** Previous year's figures have been regrouped and rearranged wherever necessary so as to make them comparable with the current year.

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The Notes referred to above form an integral part of the accounts.

As per our Report of even date  
for **LAXMINIWAS & CO**  
Firm Registration Number:011168S  
Chartered Accountants

**Dayaniwas Sharma**  
Partner  
Membership No.216244

Place : Hyderabad  
Date : 30th May, 2016

For and on behalf of the Board  
**Vijay Textiles Limited**  
CIN : L18100TG1990PLC010973  
Sd/-

**Vijay Kumar Gupta**  
Chairman & Managing Director  
DIN:01050958

**R. Malhotra**  
Finance Director & CFO  
DIN:05242639

**Susheel Kumar Gupta**  
Executive Director  
DIN:00362714

**S. Nagarajan**  
Company Secretary  
M.No:2532





# Vijay Textiles Limited

## ATTENDANCE SLIP

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

CIN : L18100TG1990PLC010973. Tel No:040-27848479, E-mail ID: info@vijaytextiles.in

**26th Annual General Meeting , Thursday, 29th September,2016 at 11.00 A.M**

DP. ID* :
Client ID* :

Reg. Folio No :
No. of Shares :

Name and address of the Shareholder: .....

I certify that I am a member/proxy for a member of the Company. I hereby record my presence at the 26th Annual General Meeting of the Company, at FTAPCCI Auditorium, The Federation of Telangana and Andhra Pradesh Chamber of Commerce & Industry, Federation House, 11-6-841, Red Hills, Hyderabad - 500 004. at 11.00 A.M. on Thursday, 29th September,2016.

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

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

Note: 1. Member/Proxy must bring the Attendance Slip to the Meeting and hand it over, duly signed at the registration counter.

2. NO GIFTS WILL BE GIVEN.

\* Applicable for Investors holding shares in electronic form.

\*\* Strike out whichever is not applicable.

# Vijay Textiles Limited

## PROXY FORM

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

CIN : L18100TG1990PLC010973. Tel No:040-27848479, E-mail ID: info@vijaytextiles.in

### FORM NO: MGT-11

(Pursuant to Section 105(6) of Companies Act,2013, and Rule 19(3) of the Companies(Management and Administration) Rules,2014)

Name of the Company	Vijay Textiles Limited (CIN : L18100TG1990PLC010973)	
Registered Office	Surya Towers, Ground Floor, 104, S.P. Road, Secunderabad - 500 003	
Name of the Member(s)		
Registered Address		
Folio No./DP ID-Client ID		E-mail ID

I/We, being the member(s) holding \_\_\_\_\_ equity shares of the above named Company, hereby appoint.

- Name : \_\_\_\_\_ Address: \_\_\_\_\_  
E.mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_  
or failing him/her
- Name : \_\_\_\_\_ Address: \_\_\_\_\_  
E.mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_  
or failing him/her
- Name : \_\_\_\_\_ Address: \_\_\_\_\_  
E.mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_

As my/our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on Thursday, the 29th September, 2016 11.00 A.M, at FTAPCCI Auditorium, The Federation of Telangana and Andhra Pradesh Chamber of Commerce & Industry, Federation House, 11-6-841, Red Hills, Hyderabad - 500 004 and at any adjournment there of.

Signed this ..... day of ..... , 2016.

Please  
Affix ₹ 1/-  
Revenue  
Stamp

Note: 1. Proxy need not be a member.

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

Signature

NO GIFTS WILL BE DISTRIBUTED AS PER GOVERNMENT NOTIFICATION

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## Vijay Textiles Limited

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

CIN : L18100TG1990PLC010973. Tel No:040-27848479,E-mail ID: info@vijaytextiles.in

**26th Annual General Meeting , Thursday, 29th September,2016 at 11.00 A.M**

### VOTING BY BALLOT

DP. ID* :	
Client ID* :	

Reg. Folio No :	
No. of Shares :	

Name and address of the Shareholder: .....

.....

Please indicate (✓) in the appropriate column against the Resolutions indicated in the box below:

SI No	Resolutions	For	Against
	<b>Ordinary Business</b>		
1.	Approval of Audited Financial Statements for the financial year 2015-2016		
2.	Re-appointment of Shri Susheel Kumar Gupta, Whole Time Director		
3	Re-appointment of M/s.Laxminiwas & Co as Statutory Auditors		
	<b>Special Business:</b>		
4	Revision in remuneration of Shri Vijay Kumar Gupta, Managing Director		
5	Re-appointment of Shri Susheel Kumar Gupta , as the Whole Time Director of the Company for the period of 5 years		
6	Revision in remuneration of Shri P. Malhotra, Finance Director		
7	Appointment of Mrs.CA. Alka Zanwar as Independent Director for a period of 5 years		
8	Appointment of Shri. CA..Penmetsa Vikram as Independent Director for a period of 5 years		
9	Alteration of Articles of Association of the Company		
10	Ratification of payment of Remuneration to Cost Auditors		
11	Issue of 25,00,000 equity shares to Promoters and the Public on Preferential Basis.		

Member's/Proxy's Signature



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