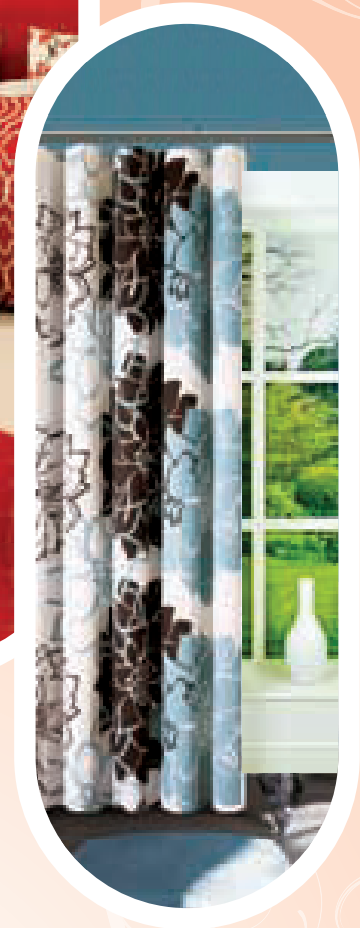
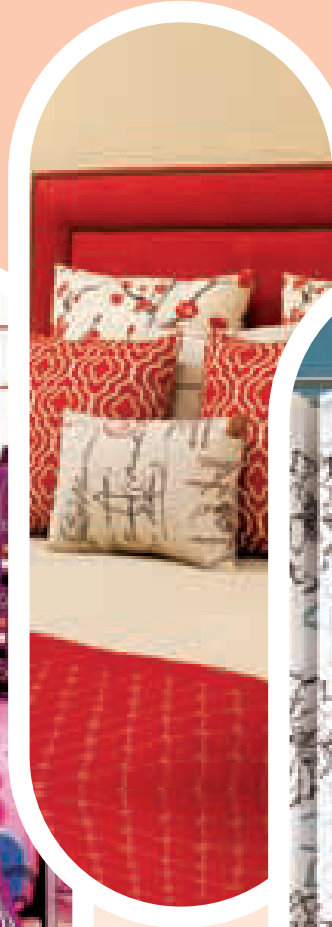
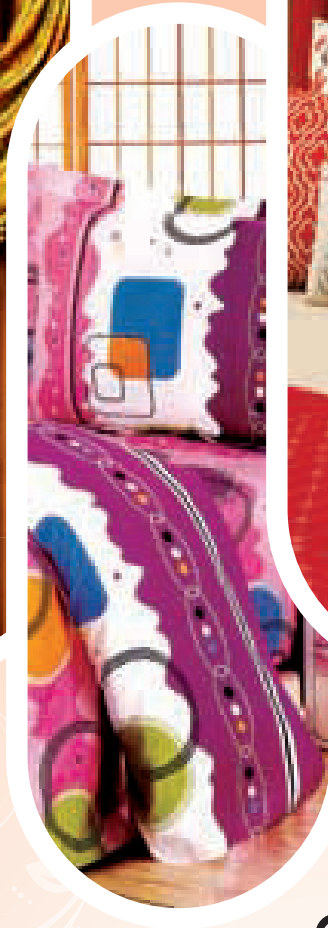


27TH
ANNUAL REPORT
2016 - 2017




vijay

TEXTILES LTD.

www.vijaytextiles.in

Furnishings... Simply incredible!

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Shri Vijay Kumar Gupta	Chairman and Managing Director
Shri Susheel Kumar Gupta	Executive Director
Shri R.Malhotra	Finance Director and Chief Financial Officer
Shri M. Srikanth Reddy	Independent Director
Smt Kamini Gupta	Independent Director(resigned w.e.f 21.10.2016)
Smt. C.A.Alka Zanwar	Independent Director
Shri C.A.Penmetsa Vikram	Independent Director

Company Secretary

Shri S. Nagarajan

Statutory Auditors

M/s. Laxminiwas & Co.,
Chartered Accountants
6-3-569, 4th Floor, Opp: RTA Office,
Khairatabad, HYDERABAD – 500 082.

Internal Auditors

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

Secretarial Auditor

S.S.Reddy & Associates
Practicing Company Secretaries
6-3-3554/13, A1 1st Floor
Suryateja Apartments, Hindi Nagar
Panjagutta, Hyderabad – 500 034.

Bankers:**State Bank of India**

Industrial Finance Branch, Somajiguda,
HYDERABAD-500 082

Axis Bank Limited

Begumpet. Hyderabad-500 016

Registrar & Share 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
CIN: L18100TG1990PLC010973
Email :info@vijaytextiles.in

AUDIT COMMITTEE

Mr. M. Srikanth Reddy
Mr. CA Penmetsa Vikram
Mrs. C.A Alka Zanwar

**NOMINATION & REMUNERATION
COMMITTEE**

Mr. M. Srikanth Reddy
Mr. C.A Penmetsa Vikram
Mrs. C.A Alka Zanwar

**STAKEHOLDERS RELATIONSHIP
COMMITTEE**

Mr. M. Srikanth Reddy
Mr. C.A Penmetsa Vikram
Mrs. C.A Alka Zanwar

**INDEPENDENT DIRECTORS
COMMITTEE:**

Mr. M. Srikanth Reddy
Mr. C.A Penmetsa Vikram
Mrs. C.A Alka Zanwar

RISK MANAGEMENT COMMITTEE:

Mr. Vijay Kumar Gupta
Mr. M. Srikanth Reddy
Mr. C.A Penmetsa Vikram
Mrs. C.A Alka Zanwar

LISTED AT : BSE Limited

ISIN : INE256G01033

WEBSITE: www.vijaytextiles.in

INVESTOR

E-MAIL ID: info@vijaytextiles.in

Factory:

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

Wholesale Depot:

Plot No: 46, Road No: 12
APIIC, Katedan, Hyderabad - 500 077

Retail Show Rooms:

1. Surya Towers, Ground Floor,
104, Sardar Patel Road
Secunderabad - 500 003
2. D. No. 6-3-852/3,
Near Lal Bungalow, Ameerpet,
Hyderabad - 500 016
3. D. No. 2-22-306/A/2, Plot No: 6 &
7, Survey No: 178 & 179,
Bhagyanagar Colony, Phase-II,
Kukatpally, Hyderabad - 500 072
4. D. No. 23-27/A, Survey No.127 &
130/1, Kothapet, Dilsukhnagar,
Hyderabad - 500 060
5. D. No. 19-94/1, Survey No: 466,
Housing Colony, A.S.Rao Nagar,
Secunderabad - 500 062

NOTICE is hereby given that the 27th Annual General Meeting of the Members of **VIJAY TEXTILES LIMITED** will be held on Tuesday, the **26th September, 2017, at 11.00 A.M.** at FTAAPCCI 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 2017 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 Rakesh Malhotra (DIN: 05242639), 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 appointment of Statutory Auditors of the Company:

"RESOLVED THAT pursuant to the provisions of Section 139, 141 & 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of the Audit Committee, M/s Laxminiwas & Co., Chartered Accountants, Hyderabad having firm registration number FRN: 0111685 be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this 27th Annual General Meeting till the conclusion of the 31st Annual General Meeting

of the Company to be held in the year 2021 (subject to ratification of their appointment by the Members at every AGM held after this AGM) at such remuneration to be determined by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of Audit".

SPECIAL BUSINESS:

4. **RATIFICATION OF APPOINTMENT AND PAYMENT, OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2017-2018:**

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 here by accorded for ratification of appointment of 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, 2018 and payment of remuneration thereon as set out in the explanatory statement."

"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."

5. **RE-APPOINTMENT AND CONTINUATION OF MR. RAKESH MALHOTRA AS WHOLETEIME DIRECTOR AND CFO OF THE COMPANY**

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company and in supersession of the earlier resolution/s passed by the shareholders in earlier general meeting/s, and subject to the approval of Members in Annual General Meeting, the consent of the Board is hereby accorded to reappoint Mr. Rakesh Malhotra as Whole-time Director and CFO of the Company for a period of three years with effect from 01.04.2017 to 31.03.2020 at a remuneration of ₹1,60,000 per month inclusive of all perquisites and allowances”.

“RESOLVED FURTHER THAT in terms of Schedule V of the Companies Act, 2013, as amended from time to time, the Board of Directors be and is hereby authorized to vary or increase the remuneration inclusive of perquisites, and allowances etc. within such prescribed limits”.

“RESOLVED FURTHER THAT in the event of losses or inadequacy of profits during his tenure the Company shall pay to Mr. Rakesh Malhotra, remuneration inclusive of all perquisites and allowances not exceeding the amount approved by the Central Government and which shall not

exceed the limits prescribed from time to time under sections 196, 197, read with Schedule V to the Companies Act 2013, for the time being in force”.

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

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

Sd/-

S Nagarajan
Company Secretary

Place: Secunderabad
Date: 24.07.2017

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 Thursday, the 21st September 2017 to Tuesday, 26th September, 2017 (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 BSE Limited, the Company has paid up to date all the listing fees to BSE 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.

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 27th 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.

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

- (i) The E-voting period begins on 23rd September, 2017 (9.00 A.M) and ends on 25th September, 2017 (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 20th September, 2017 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.
- (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 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:

For Members holding shares in Demat Form and Physical Form	
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"> • 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. • 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.
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"> • 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).

- (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**>
- (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 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.
 - 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 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, under help section or write an email to 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. 20th September 2017.
- (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 and on the website of CDSL and will be communicated to the BSE Limited.

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

Sd/-

S. Nagarajan
Company Secretary

Place: Secunderabad
Date: 24.07.2017

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:**RATIFICATION OF APPOINTMENT AND PAYMENT, OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2017-2018:**

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, 2018 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 resolution No.4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2018.

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 5:**REAPPOINTMENT AND CONTINUATION OF MR. RAKESH MALHOTRA AS WHOLETEIME DIRECTOR AND CFO OF THE COMPANY:**

The Board of Directors at their meeting held on 10.02.2017 have subject to the approval of the Shareholders, re-appointed Mr. Rakesh Malhotra as Whole-time Director and CFO of the Company with effect from 01.04.2017 for a period of 3 years as set out in the resolution no 5.

The Board is of the opinion that the services of the Mr. Rakesh Malhotra as Whole-time Director and CFO is in the interest of the Company in order to achieve further growth. Taking into consideration the duties and responsibilities of Mr. Rakesh Malhotra, the prevailing managerial remuneration in industry, the Board at their meeting held on 10.02.2017 approved the terms and conditions of the re-appointment of Mr. Rakesh Malhotra as Whole-time Director and CFO subject to approval of the shareholders on remuneration including minimum remuneration and on terms and conditions set out in there resolution No 5.

Hence, the Board recommends the above said resolution for your approval.

None of the Directors or Key Managerial Personnel and their relatives of the Company except Mr. Rakesh Malhotra is concerned or interested, financially or otherwise, in the resolution expect to the extent of shares held by them.

DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

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

Name of the Director	Mr. Rakesh Malhotra
DIN	05242639
Date of Birth	06-02-1955
Date of Appointment	24.03.2012
Qualifications	M.B.A
Expertise in specific functional areas	Banking,Credit Management,Finance, Operations,Taxation,Legal Matters and Administration.
Directorships held in other companies (excluding private limited and foreign companies)	Nil
Membership/Chairmanship of Committee of other Companies (includes only Audit Committee and Stakeholders Relationship Committee)	Nil
No. of Shares held in the Company	Nil
Inter se relationship with any Directors	Nil

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

Sd/-

S. Nagarajan
Company Secretary

Place: Secunderabad
Date: 24.07.2017

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

Dear Members,

Your Directors have pleasure in presenting the Directors' Report and the Audited Statement of Accounts of the Company for the Financial Year ended 31st March 2017.

FINANCIAL RESULTS

The performance of the Company during the year has been as under: (₹.In Lakhs)

Particular	2016-17	2015-2016
Total Revenue from operations	11828.92	10853.21
Total Expenses	(11402.26)	(10745.57)
Profit Before Tax	426.66	107.64
Less: Taxation		
a. Deferred Tax	38.40	7.02
Profit / (Loss) After Tax	388.26	100.62
Add: Profit brought forward from last year	(1128.22)	(1228.84)
Total available for appropriations	(739.96)	(1128.22)
Less: Preference Dividend	5.28	0.00
Less: Dividend Distribution Tax	1.07	0.00
Balance carried forward to Balance Sheet	(746.31)	(1128.22)

OPERATIONS

Your Company has shown good results during the year under review and achieved sales and other income of ₹ 11828.92 Lakhs and net profit of ₹ 388.26 Lakhs as compared to sales and other income of ₹ 10853.21 Lakhs and net profit of ₹ 100.62 Lakhs achieved in the previous financial year.

PERFORMANCE AND FUTURE OUTLOOK

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

Prospective outlook for the current financial year is good and your Company, as done last year, plans

to maintain its strategy for aggressive marketing of its new range of embroidered products, which have a very good and consistent demand in the contemporary markets. More and more new areas are being explored in order to expand its reach and to further move into the markets which have not been tapped earlier. Aggressive marketing strategy includes offering better and competitive pricing to the dealers albeit with a shorter credit period in order to provide impetus to the cash flows. Your Company is quite hopeful to show much improved results and to excel in 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 to equity shareholders for the financial year 2016-2017. The Board has however recommended payment of dividend of 0.10% amounting to ₹ 5,27,600/- i.e. ₹ 0.001 per preference share to preference shareholders for the year 2016-2017.

UNPAID / UNCLAIMED DIVIDEND

In terms of the provisions of the Companies Act, 2013 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 the regard during the year dividend amounting to ₹2,12,566 /- that had not been claimed by the Shareholders for the year ended 31st March, 2009 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.

Further dividend amounting to ₹ 1,59,915 /- that had not been claimed by the Shareholders for the year ended 31st March, 2010 will be transferred to the credit of Investor Education and Protection Fund on 04.11.2017 as required under Section 124 read with Section 125 of the Companies Act, 2013 .

It may be noted that no claims shall lie against the Company in respect of any amount of dividend remaining unclaimed/unpaid for a period of seven (7) years from the dates of they become due for payment. Members who have not claimed the dividends declared for the financial year March 31, 2010 and onwards are requested to lodge their claim immediately with the Company's Registrar and Transfer Agents at the address mentioned in the Annual Report. The Company has already send reminders to all such members at their registered address in this regard. Further, as per Section 124(6) of the Act read with IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven (7) consecutive years has to be transferred, under sub-section 5 of the Act, to the IEPF Suspense Account (in the name of the Company) with one of the Depository Participants as may be identified by the IEPF Authority, within thirty (30) days of such shares becoming due to be transferred to the IEPF. However, proviso to sub-section 6 provides that the shares transferred to the IEPF can be claimed by the concerned shareholders(s) from IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The Statement containing details of Name, Address, Folio No., Demat Account No and No. of

shares due for transfer to IEPF Suspense Account is made available on www.vijaytextiles.in.

The MCA on April 27, 2017, via General Circular No. 03/2017, came up with clarification on "Transfer of Shares to IEPF Authority", wherein amongst other matters, NSDL will prescribe the file formats and operational procedures for transfer of shares to special demat account of the IEPF Authority by April 30, 2017 and May 31, 2017 respectively and the due date for transfer of such shares by your Company is May 31, 2017. However, MCA via General Circular No. 05/2017 dated May 16, 2017 notified that the aforementioned Circular No. 03/2017 stands withdrawn with immediate effect and further stated that fresh instructions on the matter to be issued in due course of time.

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 eight times during the financial year from 1st April 2016 to 31st March 2017. The dates on which the meetings were held are 30.05.2016, 28.07.2016, 12.08.2016, 29.09.2016, 21.10.2016, 11.11.2016, 27.01.2017 and 10.02.2017.

REVISION OF FINANCIAL STATEMENTS:

There was no revision of the financial statements for the year under review.

DISCLOSURE UNDER SECTION 134(3) (I) OF THE COMPANIES ACT, 2013:

No material changes and commitments which could affect the Company's financial position have occurred between the ends of the financial year of the Company.

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

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

Shri .Rakesh Malhotra has been re-appointed as Whole-Time Director and CFO for a further period of 3 years with effect from 1st April 2017.

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received declarations from Shri M. Srikanth Reddy, Mrs. Alka Zanwar and Mr. 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:

- I. 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 24th Annual General Meeting (AGM) held on 30th September 2015, approved the appointment of M/s. Laxminiwas & Co., Chartered Accountants, as Statutory Auditors of the Company, to hold office up to the conclusion of the 27th AGM to be held in the year 2017.

In terms of Section 139 of the Companies Act, 2013, the appointment of Auditor is subject to ratification by the shareholders at every subsequent AGM.

It has been decided to reappoint M/s. Laxminiwas & Co., Chartered Accountants for a further period

of four years from the conclusion of this 27th Annual General Meeting till the conclusion of the 31st Annual General Meeting of the Company to be held in the year 2021 (subject to ratification of their appointment be the Members at every AGM held after this AGM) and the same has been duly approved by the Audit Committee and the Board Meeting.

The Company has received a certificate from the Auditors to the effect that their re-appointment if made, would be in accordance with the conditions as specified under Section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014.

The Directors recommend their re-appointment. A resolution proposing appointment of M/s. Laxminiwas & Co., Chartered Accountants as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013 forms part of the Notice.

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

INTERNAL AUDITORS

Pursuant to the provisions of Section 138 of the Companies Act 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 2017-2018.

COST AUDITORS

As per Section 148 of the Companies Act, 2013 read with Rules framed there under, 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, 2018, 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 M/s S.S.Reddy & Associates, Practicing Company Secretaries 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.

AUDIT REPORTS:**(a) Statutory Auditors Report:**

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2017 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges that may occur in the industry.

(b) Secretarial Audit Report:

The Board has duly reviewed the Secretarial Audit Report on the Compliances according to the provisions of section 204 of the Companies Act 2013 and does not have any qualifications, reservations or adverse remarks.

PARTICULARS OF LOANS, GUARANTEES, OR INVESTMENTS

The Company has not granted any loans or guarantees or made investments attracting Section 186 of the Companies Act, 2013 during the year under review.

PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

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 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 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 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

- Board Diversity Policy
- Policy on preservation of Documents
- Risk Management Policy
- Whistle Blower Policy
- Familiarisation programme for Independent Directors
- Anti- Sexual Harrassment Policy
- Related Party Policy
- Code of Conduct

INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES:

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

FIXED DEPOSITS

The Company has not accepted or invited any Deposits covered under Chapter V of the Companies Act, 2013 and as such no amount of principal or interest was 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 2016-2017 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/ TRIBUNAL

During financial year 2016-2017, there were no significant and / or material orders, passed by any Court or Regulator or Tribunal, which 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(s) 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.

INDIAN ACCOUNTING STANDARDS (Ind AS)

The Company has adopted Indian Accounting Standards (Ind AS) with effect from 1st April, 2017 pursuant to Ministry of Corporate Affairs' notification of the Companies (Indian Accounting Standards) Rules, 2015.

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 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 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.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place an anti-Prevention of 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 2016-2017, 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 2016-2017 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 has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meeting and General Meeting.

EVENT BASED DISCLOSURES

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

1. **Issue of sweat equity shares:** The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014.
2. **Issue of shares with differential rights:** The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014.
3. **Issue of shares under employee's stock option scheme:** The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1) (b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.
4. **Non- Exercising of voting rights:** During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.
5. **Disclosure on purchase by Company or giving of loans by it for purchase of its shares:**

The Company did not purchase or give any loans for purchase of its shares.
6. **Buy back shares:** The Company did not buy-back any shares during the period under review.
7. **Disclosure about revision:** Since the Company did not undergo any revision, this Clause is not applicable to the Company for the period under review.
8. **Preferential Allotment of Shares:** The Company has allotted 16,25,000 equity shares to the promoters on preferential basis at an issue price of ₹30 per share during the period under review.

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. Your 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
Vijay Textiles Limited

Sd/-

Vijay Kumar Gupta

Chairman & Managing Director

DIN:01050958

Place: Secunderabad

Date: 24.07.2017

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 2016-17 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's, 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 2016-2017.

For and on behalf of the Board
Vijay Textiles Limited

Sd/-

Vijay Kumar Gupta

Chairman & Managing Director
DIN:01050958

Place: Secunderabad

Date: 24.07.2017

DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT:

Name of the Director	Mr. Rakesh Malhotra
DIN	05242639
Date of Birth	06-02-1955
Date of Appointment	24.03.2012
Qualifications	M.B.A
Expertise in specific functional areas	Banking, Credit Management, Finance, Operations, Taxation, Legal Matters and Administration.
Directorships held in other companies (excluding private limited and foreign companies)	Nil
Membership/Chairmanship of Committee of other Companies (includes only Audit Committee and Stakeholders Relationship Committee)	Nil
No. of Shares held in the Company	Nil
Inter se relationship with any Directors	Nil

ANNEXURE - I

FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2017

[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 Share Transfer Agent, if any	Shri G. 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	
A. Promoter									
(I) Indian									
a) Individual / HUIF	68,80,045	-	68,80,045	59.83	85,05,045	-	85,05,045	64.80	4.97

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) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt (s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp	--	--	--	--	--	--	--	--	--
e) Banks / FI's	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
Sub Total (A) (1)	68,80,045	-	68,80,045	59.83	85,05,045	-	85,05,045	64.80	4.97
(2) Foreign	--	--	--	--	--	--	--	--	--
a) NRI - Individuals	--	--	--	--	--	--	--	--	--
b) Other -Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corporate	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other	--	--	--	--	--	--	--	--	--
Sub Total (A) (2)	--	--	--	--	--	--	--	--	--
Total Shareholding of Promoter (A)=(A)(1) + (A)(2)	68,80,045	-	68,80,045	59.83	85,05,045	-	85,05,045	64.80	4.97
B. PUBLIC SHAREHOLDING									
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	--	--	--	--	--	--	--	--	--
Sub Total (B) (1)	--	--	--	--	-	--	-	-	-
2. Non Institutions									
a) Bodies Corporate									
i) Indian	3,99,895	--	3,99,895	3.48	3,17,803	--	3,17,803	2.42	(1.06)
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual Shareholders holding nominal share capital up to ₹1 Lakh	24,18,358	20896	24,39,254	21.21	21,79,770	20896	2200666	16.77	(4.44)

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	
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	17,11,502	--	17,11,502	14.88	1869182	--	1869182	14.24	(0.64)
c) Others	67,504	1,800	69,304	0.60	2,30,504	1,800	2,32,304	1.77	1.17
Sub Total (B) (2)	4597259	22696	4619955	40.17	4597259	22696	4619955	35.20	(4.97)
Total Public Shareholding (B) = (B)(1) + (B) (2)	4597259	22696	4619955	40.17	4597259	22696	4619955	35.20	(4.97)
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	--	--	--	--	--	--	--	--	--
GRAND TOTAL (A+B+C)	11477304	22696	1,15,00,000	100	13102304	22696	13125000	100	--

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year(as on 01-04-2016)			Share holding at the end of the year (as on 31-03-2017)			% change in shareholding 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	44,98,016	34.27	77.77	+3.85
2	Susheel Kumar Gupta	21,79,699	18.95	100	28,04,699	21.37	77.72	+2.42
3	Shashi Kala Gupta	1,81,500	1.58	100	1,81,500	1.38	100	-0.20
4	Vijay Kumar Gupta (HUF)	10,20,830	8.88	88.93	10,20,830	7.78	88.93	-1.10
	Total	68,80,045	59.83		85,05,045	64.80		

(iii) Change in Promoters' Shareholding:

Sl. No.		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
1.	At the beginning of the year	68,80,045	59.83	68,80,045	59.83
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	16,25,000 (preferential allotment) (date of allotment-21.10.2016)	12.38
3.	At the End of the year	68,80,045	59.83	85,05,045	64.80

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRS):

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	Archana Shorewala	2,70,000	2.35	-	-	-	2,70,000	2.06
2.	Kaveri Seed Company Limited	1,99,425	1.73	-	-	-	1,99,425	1.52
3.	Sukanya Reddy Muppidi	1,80,000	1.37	-	-	-	1,80,000	1.37
4.	Santosh Sitaram Goenka	1,35,621	1.18	27.05.16	-10,800	Sale	1,24,821	0.95
				10.06.16	-2,098	Sale	1,22,723	0.93
				01.07.16	-5,000	Sale	1,17,723	0.89
				02.09.16	-12,000	Sale	1,05,723	0.80
				30.09.16	-50,000	Sale	55,723	0.42
				07.10.16	-25000	Sale	30,723	0.23
5.	Neeraj Agarwal	1,17,627	1.02	-	-	-	1,17,627	1.02
6	U.K.Agarwal	80,000	0.70	-	-	-	80,000	0.61
7	Anita Agarwal	69,460	0.60	15.04.16	-5000	Sale	64,460	0.49
				22.04.16	-10000	Sale	54,460	0.41
				29.04.16	29838	Purchase	84,298	0.64
				10.06.16	-5,000	Sale	79,298	0.60
				17.06.16	-810	Sale	78,488	0.60
				01.07.16	-30000	Sale	48,488	0.37
				29.07.16	-7,482	Sale	41,006	0.31
				30.09.16	-1,988	Sale	39,018	0.30
				28.10.16	7,482	Purchase	46,500	0.35
24.02.17	702	Purchase	47,202	0.36				
				17.03.17	7,373	Purchase	54,575	0.42
8	Venkat Ramaraju Vegesiana	58,692	0.51	10.06.16	-35,630	Sale	23,062	0.18
9.	Sundeep J Shah	48,708	0.42	27.05.16	2,000	Purchase	50,708	0.39
10	Natwar Nagar Agarwal	32,901	0.29	11.11.16	5,000	Purchase	37,901	0.29

(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
A	Directors				
1	Vijay Kumar Gupta	34,98,016	30.42	44,98,016	34.27
2	Susheel Kumar Gupta	21,79,699	18.95	28,04,699	21.37
3	R.Malhotra	-	-	-	-
4	M.Srikanth Reddy	-	-	-	-
5	CA. PVikram	-	-	-	-
6	CA Alka Zanwar	-	-	-	-

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
7	Sanjeev Kumar Agarwal	-	-	-	-
8	Ms. Kamini Gupta	-	-	-	-
B.	Key Managerial Personnel				
I.	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 (₹)
Indebtedness at the beginning of the financial year				
i) Principal Amount	141,76,20,500	35,39,60,000	-	177,15,80,500
ii) Interest due but not paid	83,72,434	2,16,38,633	-	3,00,11,067
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	142,59,92,934	37,55,98,633	-	180,15,91,567
Change in Indebtedness during the financial year				
Addition	25,24,220	10,59,76,363		10,85,00,583
Reduction	89,48,542			89,48,542
Net Change	(64,24,322)	10,59,76,363		9,95,52,041
Indebtedness at the end of the financial year				
i) Principal Amount	140,86,71,958	44,76,65,000		185,63,36,958
ii) Interest due but not paid	1,08,96,654	3,39,09,996		4,48,06,650
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	141,95,68,612	48,15,74,996		190,11,43,608

VI. REMUNERATION OF DIRECTORS AND KEY MANGERIAL PERSONNEL

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

S. No	Particulars of Directors	Vijay Kumar Gupta (Managing Director)	Susheel Kumar Gupta (Executive Director)	R.Malhotra (Whole Time Director Cum CFO)	Total Amount (₹)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	42,00,000	42,00,000	19,20,000	1,03,20,000
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission as % of profit Others	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	42,00,000	42,00,000	19,20,000	1,03,20,000
	Ceiling as per the Act	60,00,000	60,00,000	60,00,000	

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount (₹)
		M.Srikanth Reddy	CA. P.Vikram	CA.Alka Zanwar	Sanjeev Kumar Agarwal	Smt.Kamini Gupta	
1	Independent Directors						
	Fee for attending Board/ Committee Meetings	71,000	70,000	70,000	6,000	6,000	2,23,000
	Commission	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-	-
	Fee for attending Board/ Committee Meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B) = (1+2)	71,000	70,000	70,000	6,000	6,000	2,23,000
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	NA	NA	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 (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	-	19,20,000	*mentioned in above table A under the name Mr. R Malhotra	19,20,000
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify.....	-	-	-	-
5.	Others	-	-	-	-
	Total	-	19,20,000	-	19,20,000

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)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

For and on behalf of the Board
Vijay Textiles Limited

Sd/-

Vijay Kumar Gupta
Chairman & Managing Director
DIN:01050958

Place: Secunderabad
Date: 24.07.2017

FORM NO: MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March, 2017

(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

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year commencing from 1st April, 2016 and ended 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- I. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st of March, 2017 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made there under for specified sections notified and came into effect on various dates;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment and External Commercial Borrowings;
 - (v) The Securities and Exchange Board of India Act, 1992 ('SEBI Act')
2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') is furnished hereunder for the financial year 2016-17:-
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011: **All the required disclosures from time to time and as and when applicable were complied with.**
 - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: **Complied**
 - iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: **Not Applicable**

- iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: **Not Applicable**
 - v. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client: **Not Applicable**
 - vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: **Not Applicable**
 - vii. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014: **Not Applicable**
 - viii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015: **The Company has framed code of conduct for regulating & reporting trading by Insiders and for Fair Disclosure, 2015 and displayed the same on Company's Website i.e www.vijaytextiles.in and all required disclosures from time to time as and when applicable are complied with.**
 - ix. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015: Complied with to the extent applicable and the Company has framed the policies as mentioned below and displayed the same on the Company's website i.e.
 - Board Diversity Policy
 - Policy on Preservation of Documents
 - Risk Management Policy
 - Whistle Blower Policy
 - Related party transaction policy
 - Familiarisation programme for independent Directors
 - Sexual harassment policy
 - Code of conduct
3. During the year the Company has conducted Eight (8) Board meetings Four (4) Audit committee meetings Four(4) Stakeholders Relationship Committee meetings and One (1) Nomination and Remuneration Committee meeting. 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 Agreement entered into by the Company with Stock Exchange(s).
4. During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013, Old Companies Act, 1956 to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc., mentioned above;
5. The Company has identified the following law applicable specifically to the Company:
- a) Factories Act, 1948
 - b) Payment Of Wages Act, 1936, and rules made there under,
 - c) The Minimum Wages Act, 1948, and rules made there under,
 - d) Employees' State Insurance Act, 1948, and rules made there under,

- e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,
- f) The Payment of Bonus Act, 1965, and rules made there under,
- g) Payment of Gratuity Act, 1972, and rules made there under,
- h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
- i) Industrial Disputes Act, 1947
- j) The Air (Prevention and Control of Pollution) Act, 1981
- k) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
- l) Textiles Committee Act, 1963
- m) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

OBSERVATIONS:

- (a) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of audit, we report that

The provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:

 - (i) External Commercial Borrowings were not attracted to the Company under the financial year under report;
 - (ii) Foreign Direct Investment (FDI) was not attracted to the Company under the financial year under report;
 - (iii) Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the Company under the financial year under report.
- (b) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

We 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 of Board Meeting is given to all the Directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- We, further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

- We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For S.S. Reddy & Associates

Sd/-

S. Sarveswar Reddy

Proprietor

C.P.No: 7478

M.No. 12611

Place: Hyderabad

Date: 24.07.2017

Annexure

To

The Members of

M/s Vijay Textiles Limited

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

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

For S.S. Reddy & Associates

Sd/-

S. Sarveswar Reddy

Proprietor

C.P.No: 7478

M.No. 12611

Place: Hyderabad

Date: 24.07.2017

ANNEXURE -III

ANNEXURE TO DIRECTORS' REPORT
FORM A

[Forming part of Annexure (III)]

Disclosure of Particulars with respect to conservation of Energy:

I Energy Conservation:	31.03.2017	31.03.2016
A 1. Power & Fuel Consumption		
Electricity:		
a) Purchased:		
Units	26,26,564	30,20,147
Total amount (₹)	2,06,06,805	2,09,24,641
	7.85	6.93
b) Own Generation:		
Through Diesel Generator		
Units	1,904	1,984
Units per ltr. of Diesel oil	3.20	3.20
Cost/Unit (₹)	18.38	16.37
2. Coal used in Boiler:		
Quantity (Tonnes)	Nil	Nil
Cost (₹)	Nil	Nil
Average Rate (Rs)	Nil	Nil
3. Furnace Oil (HSD):		
Quantity (K. Litre)	Nil	Nil
Total Amount (₹)	Nil	Nil
Average Unit/Litres	Nil	Nil
4. Others/Internal generation:		
Quantity (Tonnes)	7,198	8,019
Total Cost (₹)	2,13,73,481	2,22,32,165
Average Rate (₹)	2,969	2,772
B Consumption per unit of production (Linear meter)		
Electricity	0.59	0.55
Furnace Oil	Nil	Nil
Coal (Kgs.)	Nil	Nil
Others (Firewood) (Kgs.)	1.60	1.45
2. Technology Absorption:	<p>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.</p>	
3. Foreign Exchange earnings and outgo		
Earnings (₹)	22,08,022	26,72,148
Outgo (₹)	2,87,931	2,20,038

ANNEXURE-IV**CORPORATE GOVERNANCE REPORT**

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

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

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

DATE OF REPORT

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on 31st March, 2017. The Report is updated as on the date of the report wherever applicable.

BOARD DIVERSITY:

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

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/>

Corporate Governance Report (Contd.)

I. BOARD OF DIRECTORS

COMPOSITION:

The Board of Directors, as at the end of the year on 31st March 2017 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 2016-2017, 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 2017.

Board Meetings:

Eight (8) 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 30th May,2016, 28th July,2016, 12th August,2016 , 29th September,2016, 21st October,2016, 11th November,2016 , 27th January,2017 and 10th February,2017.

Attendance of each Director at board meeting held during the year and last annual general meeting and number of other board of Directors in which a Director is a member or chairperson.

Name	Category	No .of Board Meetings during the period		Attendance of the last AGM held on 29.09.2016	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	8	8	Present	-	-	-	-
Susheel Kumar Gupta	P/ED	8	8	Present	-	-	-	-
R.Malhotra	F.D/E.D	8	8	Present	-	-	-	-
M Srikanth Reddy	ID/NED	8	7	Present	-	2	-	-
CA. P.Vikram	ID/NED	7	7	Present	-	-	-	-
CA. Alka Zanwar	ID/NED	7	7	Present	-	-	-	-
Sanjeev Kumar Agarwal	ID/NED	1	1	Absent	-	-	-	-
Smt.Kamini Gupta	ID/NED	4	1	Present	-	-	-	-

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

ID/NED: Independent Director/ Non-Executive Director

C: Chairman M: Member

Corporate Governance Report (Contd.)**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.

DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

Mr. Vijay Kumar Gupta, Promoter Director and Mr. 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.

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.

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

INDEPENDENT DIRECTORS' MEETING:

As per clause 7 of the Schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent Directors) was held on 17.02.2017, and discussed the following:

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

All the Independent Directors of the Company were present at the meeting.

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

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.

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.

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 all view of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement reflects a true and fair position and that sufficient and credible information is disclosed

Corporate Governance Report (Contd.)

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 exercises 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 2016 to March 2017, Four (4) Audit Committee Meetings were held. The dates on which the said meetings were held are 30th May, 2016, 12th August, 2016, 11th November, 2016 and 10th February, 2017.

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 2016-2017	
			Held	Attended
Shri M. Srikanth Reddy	Chairman	Independent, Non-Executive	4	4
CA P Vikram	Member	Independent, Non-Executive	3	3
CA Alka Zanwar	Member	Independent, Non-Executive	3	3
Shri Sanjeev Kumar Agarwal	Member	Independent, Non-Executive	1	1
Smt Kamini Gupta	Member	Independent, Non-Executive	2	1

Corporate Governance Report (Contd.)

The Audit Committee meetings were also attended by the partner/representatives of Statutory Auditors Internal Auditors and Cost Auditors of the Company. Shri M. Srikanth Reddy Chairman of Audit Committee attended the previous Annual General Meeting held on 29th September, 2016. 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 constituted in terms of Section 178 of Companies Act, 2013 and as per Regulation 19 of SEBI (LODR) Regulations, 2015 are as under:

- To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:
 - a. to take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
 - b. to bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.

No meeting held during the year 2016-2017.

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 2016-2017	
			Held	Attended
Shri M. Srikanth Reddy	Chairman	Independent, Non-Executive	Nil	Nil
CA P Vikram	Member	Independent, Non-Executive	Nil	Nil
CA Alka Zanwar	Member	Independent, Non-Executive	Nil	Nil
Shri Sanjeev Kumar Agarwal	Member	Independent, Non-Executive	Nil	Nil
Smt Kamini Gupta	Member	Independent, Non-Executive	Nil	Nil

Corporate Governance Report (Contd.)**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.

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE:**1. Scope:**

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

2. Terms and References:

- 2.1 **"Director"** means a Director appointed to the Board of a Company.
- 2.2 **"Nomination and Remuneration Committee"** means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013, Clause 49 of the Equity Listing Agreement and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2.3 **"Independent Director"** means a Director referred to in sub-section (6) of Section 149 of the Companies Act, 2013, Clause 49(II) (B) of the Equity Listing Agreement and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Policy:**Qualifications and criteria**

- 3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's operations.
- 3.1.2 In evaluating the suitability of individual Board member the Nomination and Remuneration Committee may take into account factors, such as:
 - General understanding of the Company's business dynamics, global business and social perspective;
 - Educational and professional background
 - Standing in the profession;
 - Personal and professional ethics, integrity and values;
 - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

Corporate Governance Report (Contd.)

3.1.3 The proposed appointee shall also fulfill the following requirements:

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

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

3.2 Criteria of Independence

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

3.2.2 The criteria of independence shall be in accordance with the guidelines as laid down in Companies Act, 2013, Clause 49 of the Equity Listing Agreement and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoters of the Company or its holding, subsidiary or associate Company;
(ii) who is not related to promoters or Directors of the Company its holding, subsidiary or associate Company
- c. who has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or Director, during the two immediately preceding financial year or during the current financial year;
- d. none of whose relative has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or Directors, amounting to two per cent or

Corporate Governance Report (Contd.)

more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial year or during the current financial year:

- e. who, neither himself nor any of his relative-
 - (i) Holds or has held the position of a key managerial personnel or is or has been employee of the or associate Company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) Is or has been an employee or proprietor or a partner, in any of the three financial year immediately preceding the financial year in which he is proposed to be appointed of-
 - (A) a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or
 - (B) any legal or a consulting firm that has or had any transaction with the Company, its holding subsidiary or associate Company amounting to ten per cent or more of the gross turnover of more of the gross turnover of such firm;
 - (i) holds together with his relatives two per cent or more of the total voting power of the Company; or
 - (ii) is a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipt from the Company any of its promoters , Directors or its holding subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company; or
 - (iii) is a material supplier, service provider or customer or a lesser or lessee of the Company.
- f. Shall possess appropriate skills experience and knowledge in one or more field of finance, law management, sales, marketing administration, research, corporate governance, technical operations, corporate social responsibility or this disciplines related to the Company's business.
- g. Shall possess such other qualifications as may be prescribed from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age

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

3.3 Other Directorships/ Committee Memberships

3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance Accordingly, members should voluntarily limit their Directorships in other listed public limited companies in such a way that it does not interfere with their role as Director of the Company. The Nomination and Remuneration Committee shall

Corporate Governance Report (Contd.)

take into account the nature of, and the time involved in a Director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

- 3.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be public limited companies.
- 3.3.3 A Director shall not serve an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed Company.
- 3.3.4 A Director shall not be a member in more than 10 committee or act as Chairman of more than 5 committee across all companies in which he holds Directorships.

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

REMUNERATION POLICY:

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

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

Remuneration policy for Directors, key managerial personnel and other employees**1. Scope:**

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

2. Terms and Reference:

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

- 2.1 **"Director"** means a Director appointed to the Board of the Company.
- 2.2 **"key managerial personnel"** means
- (i) The Chief Executive Officer or the Managing Director or the Manager;
 - (ii) The Company Secretary;
 - (iii) The Whole-time Director;
 - (iv) The Chief Financial Officer; and
 - (v) Such other Officer as may be prescribed under the companies Act, 2013

Corporate Governance Report (Contd.)

2.3 **“Nomination and Remuneration committee”** means the committee constituted by Board in accordance with the provisions of section 178 of the Companies Act, 2013, Clause 49 of the Equity Listing Agreement and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Policy:

3.1 Remuneration to Executive Director and key managerial personnel

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

3.1.2 The Board on the recommendation of the Nomination and Remuneration committee shall also review and approve the remuneration payable to the key managerial personnel of the Company.

3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:

- (i) Basic pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors)
- (v) Retrial benefits
- (vi) Annual performance Bonus

3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the Nomination and Remuneration committee and Annual performance bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

3.2 Remuneration to Non – Executive Directors

3.2.1 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per the provisions of the Companies Act.

3.2.2 Non – Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

3.3 Remuneration to other employees

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

Corporate Governance Report (Contd.)

PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS VIS-A-VIS THE LISTED COMPANY:

The Non- Executive Directors have no pecuniary relationship or transactions.

CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:

As per the remuneration policy of the Company

Remuneration to Non-Executive Directors

The Non-executive Directors are being paid sitting fees @ ₹ 2, 000/- up to 30.06.2016 and from 01.07.2017 ₹ 5,000/- 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.

Remuneration to Chairman and Managing Director and Whole-time Directors

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

Details of Remuneration accrued and paid to the Directors for the year ended 31st March, 2017:

Name of the Director	Remuneration (₹)	Sitting Fee (₹)	Total (₹)
Shri Vijay Kumar Gupta	42,00,000	-	42,00,000
Shri Susheel Kumar Gupta	42,00,000	-	42,00,000
Shri R.Malhotra	19,20,000	-	19,20,000
Shri M.Srikanth Reddy	-	71,000	71,000
CA.PVikram	-	70,000	70,000
CA Alka Zanwar	-	70,000	70,000
Shri Sanjeev Kumar Agarwal	-	6,000	6,000
Smt Kamini Gupta	-	6,000	6,000

Non- Executive Directors interest.

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

SI No	Name of the Non-Executive Director	No. of Shares held (face value of ₹ 10/- each held in the Company)
1.	Shri M. Srikanth Reddy	Nil
2.	Shri CA .P. Vikram	Nil
3.	Smt Alka Zanwar	Nil
4.	Shri. Sanjeev Kumar Agarwal	Nil
5.	Smt. Kamini Gupta	Nil

Corporate Governance Report (Contd.)

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees of the Board. Structured questionnaires were prepared after taking in to consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of participation in the meetings and contribution, independence of judgments, safeguarding the interest of the Company and other stakeholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors.

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 2016 to March 2017, Four (4) Stakeholders Relationship Committee Meetings were held. The dates on which the said meetings were held are 30th May,2016, 12th August,2016, 11th November,2016 and 10th February,2017.

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

Name	Designation	Category	Number of meetings during the year 2016-2017	
			Held	Attended
Shri M. Srikanth Reddy	Chairman	Independent, Non-Executive	4	4
CA.P.Vikram	Member	Independent, Non-Executive	3	3
CA Alka Zanwar	Member	Independent, Non-Executive	3	3
Smt.Kamini Gupta	Member	Independent, Non-Executive	2	1
Shri Sanjeev Kumar Agarwal	Member	Independent, Non-Executive	1	1

NAME AND DESIGNATION OF COMPLIANCE OFFICER

Mr. S. Nagarajan, Company Secretary of the Company is the compliance officer of the Company.

Corporate Governance Report (Contd.)

DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2016-2017

INVESTOR COMPLAINTS	
Particulars	Year ended 31.03.2017
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

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:

Name	Designation	Category
Shri Vijay Kumar Gupta	Chairman	Managing Director
Shri M.Srikanth Reddy	Member	Independent, Non-Executive
Shri C.A P.Vikram	Member	Independent, Non-Executive
Smt C.A Alka Zanwar	Member	Independent, Non-Executive

No meeting held during the year 2017-2018.

GENERAL BODY MEETINGS

During the preceding three years, the Company's Annual General Meetings were held at FTAPCCI Auditorium, The Federation of Telangana and Andhra Pradesh Chamber of Commerce & Industry, The Federation House, 11-9-841, Red Hills, Hyderabad-500 004.

Corporate Governance Report (Contd.)

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

Financial Year	Date	Time	Special Resolution Passed
2013-2014	30.09.2014	11.00 A.M	5 (Five)
2014-2015	30.09.2015	11.00 A.M	3 (Three)
2015-2016	29-09-2016	11.00 A.M	2 (Two)

Year 2013-2014:

1. Re-appointment of Shri Vijay Kumar Gupta (DIN: 01050958) as the Chairman and Managing Director for the period of five years effective from 1st April,2014.
2. Consent to Borrow moneys up to a limit of ₹400.00 Crores pursuant to Section 80(1)(c) of the Companies Act,2013
3. Consent to mortgage or create charge on the assets of the Company pursuant to Section 180(1)(a) of the Companies Act,2013.
4. Alteration/Amendment of Articles of Association.
5. De-listing of the securities of the Company from Madras Stock Exchange Limited

Year 2014-2015:

1. Increase of Authorised Share Capital from ₹70.00 Crores to ₹73.00 Crores and alteration of Clause V of the Memorandum of Association of the Company.
2. Alteration of Article 3 of the Articles of Association of the Company relating to Share Capital.
3. Issue of Redeemable, Non-Convertible Cumulative Preference Shares of the face value of ₹100/- each at par not exceeding ₹2.76 Crores.

Year 2015-2016:

1. Adoption of new Articles of Association pursuant to the new Companies Act,2013.
2. Issue of 25,00,000 Equity Shares of ₹10/- each to Promoters and the Public on preferential basis.

No resolution was passed through postal ballot during the year 2016-17.

Other 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

Corporate Governance Report (Contd.)

under point No: 11 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, 2017. 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.
- 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.

DISCLOSURES**MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:**

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

COMPLIANCES:

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

WHISTLE BLOWER POLICY:

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

Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person has been denied access to the Chairman of the Audit Committee.

Corporate Governance Report (Contd.)**CODE OF CONDUCT**

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

DECLARATION ON CODE OF CONDUCT FOR THE YEAR 2016-2017

This is to confirm that the Board has laid down a code of conduct for all Board members and Senior Management Personnel of the Company. The code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on March 31, 2017 as envisaged in Regulation 26(3) of the Listing Regulations.

CEO/ CFO Certification

The Whole time Director and CEO/ CFO certification of the financial statements for the year 2016-17 is provided elsewhere in this Annual Report.

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

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

The Company does not have Non-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.

The financial Statements are free from any Audit Qualifications.

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.

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

Corporate Governance Report (Contd.)

financial results in the Proforma prescribed by Regulation 33 of SEBI (LODR), Regulations, 2015 within forty five days/sixty days of the close of the respective period.

- ii. The approved financial results are forthwith sent to the listed Stock Exchanges and are published in the newspapers namely, The Financial Express and Nava Telangana within forty-eight hours of approval thereof.
- iii. As the Company's quarterly/half yearly financial results are published in press, the same are not mailed to the Shareholders.
- iv. These financial statements, press releases are also posted on the Company's website vijaytextiles.in

General Shareholders Information:

•	Company Registration Details	The Company is registered in the State of Telangana, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L18100TG1990PLC010973.
•	Date	26 th September,2017
•	Time	11.00 A.M
•	Venue of AGM	FTAPCCI Auditorium The Federation of Telangana and AP Chamber of Commerce & Industry, Federation House: 11-6-841, Red Hills, Hyderabad - 500 004.
•	Financial Calendar	1 st April to 31 st March.
•	Tentative Schedule for considering Financial Results:	
•	For the Quarter ending June,2017	July/August,2017
•	For the Quarter ending September,2017	October/ November,2017
•	For the Quarter ending December,2017	January/ February,2018
•	For the Quarter/year ending March,2018	April/ May,2018
•	Date of Book Closure	Thursday ,the 21 st September,2017 to the Tuesday, 26 th September,2017 (both days inclusive)
•	Listing on Stock Exchanges	BSE Limited
•	Scrip Code	530151
•	ISIN Number for NSDL & CDSL	INE 256 G01033

Registrar & Transfer Agents: Aarthi Consultants Private Limited

1-2-85, Domalguda, Hyderabad – 500029 Phone: 040-27638111, 27634445 Fax: 040-2763218 Email: info@arthiconsultants.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 2017. Transfer of these shares is done through depositories with no involvement of the Company. However, all requests received for transfer of shares for off market transaction in physical form furnishing with a copy of PAN card of the transferee(s) in compliance with the SEBI circular in that behalf, are processed by the Registrars and Transfer Agents. The Share Transfers are registered and returned within a period of 15 day from the date of lodgement, if documents are complete in all respects.

All matters pertaining to share transfer in physical form are handled by the Registrar and Share Transfer Agents M/s. Aarthi Consultants Pvt Ltd, Hyderabad, who is registrar to the Company. The share transfer requests are processed by them and a transfer register is sent to the Company for approval once in a fortnight. There were no share transfers pending as on 31st March 2017.

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

We have no GDRs/ADRs or any commercial instrument.

Market price data:

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

S. No.	Month	High (₹)	Low (₹)
1	April, 2016	28.65	18.30
2	May, 2016	32.45	27.05
3	June, 2016	35.00	25.05
4	July, 2016	36.75	28.05
5	August, 2016	33.00	27.15
6	September, 2016	36.75	32.00
7	October, 2016	58.80	43.50
8	November, 2016	77.25	42.75
9	December, 2016	67.75	45.05
10	January, 2017	61.90	46.00
11	February, 2017	53.75	37.00
12	March, 2017	49.20	35.25

Corporate Governance Report (Contd.)

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2017:

S. No	Category	No. of shares held	Percentage of shareholding
A	Shareholding of Promoter and Promoter group:		
1.	Indian		
	Individual	85,05,045	64.80
2.	Foreign	-	-
	Individual	-	-
	Sub-Total A	85,05,045	64.80
B	Public Shareholding:		
1.	Institutions	-	-
2.	Non Institutions		
	a. Bodies Corporate	3,17,803	2.42
	a. Indian Public and others	43,02,152	32.78
	Sub Total B	46,19,955	35.20
	Grand Total (A+B)	1,31,25,000	100

Distribution of Shareholding as on 31.03.2017

No. of equity Shares held	No. of Shareholders	%	No. of Shares	%
Up to 5000	10180	92.40	9,89,631	7.54
5001 to 10000	418	3.79	3,22,204	2.45
10001 to 20000	196	1.78	2,86,671	2.18
20001 to 30000	53	0.48	1,35,316	1.03
30001 to 40000	23	0.21	83,413	0.64
40001 to 50000	26	0.24	1,20,974	0.92
50001 to 100000	53	0.48	3,89,465	2.97
100001 and above	68	0.62	1,07,97,326	82.27
Grand Total	11017	100	1,31,25,000	100

Corporate Governance Report (Contd.)

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

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

Particulars	No. of Share	% Share Capital
NSDL	1,13,27,556	86.31
CDSL	17,74,748	13.52
Physical	22,696	0.17
Total	1,31,25,000	100

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

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

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

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

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.

Corporate Governance Report (Contd.)

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
2009-2010	Final	25.09.2010	04.11.2017
2010-2011	Final	02.08.2011	11.09.2018

It may be noted that no claims shall lie against the Company in respect of any amount of dividend remaining unclaimed/unpaid for a period of seven (7) years from the dates of they become due for payment. Members who have not claimed the dividends declared for the financial year March 31, 2010 and onwards are requested to lodge their claim immediately with the Company's Registrar and Transfer Agents at the address mentioned in the Annual Report. The Company has already send reminders to all such members at their registered address in this regard. Further, as per Section 124(6) of the Act read with IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven (7) consecutive years has to be transferred, under sub-section 5 of the Act, to the IEPF Suspense Account (in the name of the Company) with one of the Depository Participants as may be identified by the IEPF Authority, within thirty (30) days of such shares becoming due to be transferred to the IEPF. However, proviso to sub-section 6 provides that the shares transferred to the IEPF can be claimed by the concerned shareholders(s) from IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The Statement containing details of Name, Address, Folio No., Demat Account No and No. of shares due for transfer to IEPF Suspense Account is made available on www.vijaytextiles.in.

The MCA on April 27, 2017, via General Circular No. 03/2017, came up with clarification on "Transfer of Shares to IEPF Authority", wherein amongst other matters, NSDL will prescribe the file formats and operational procedures for transfer of shares to special demat account of the IEPF Authority by April 30, 2017 and May 31, 2017 respectively and the due date for transfer of such shares by your Company is May 31, 2017. However, MCA via General Circular No. 05/2017 dated May 16, 2017 notified that the aforementioned Circular No. 03/2017 stands withdrawn with immediate effect and further stated that fresh instructions on the matter to be issued in due course of time.

- Plant Location Survey No: 139 to 141 & 143
Village Rajapoor, Rajapoor Mandal, 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

Corporate Governance Report (Contd.)**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 109 (A) of the Companies Act, 1956 are requested to submit to the Company in the prescribed form 2B for this purpose.

Company's Policy on prevention of 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 CORPORATE 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: 24.07.2017

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**INDUSTRY STRUCTURE, DEVELOPMENTS:**

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 is continuous growth in housing and infrastructure sectors, which in turn play catalyst in the growth of this industry. In global scenario this industry has shown significant growth in the recent past. Overall economic changes coupled with increase in general spending power has propelled 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 cemented its place as a large player in the domestic arena. The Company's core strength has been its well established pan India dealer network for wholesale, 5 world class large format retail stores strategically located in the twin cities of Hyderabad and Secunderabad and fine blend of infrastructure to navigate new markets for business development. The major clientele consists of NRIs, reputed institutes, corporate customers and people from by far from all the strata of the society. The Company has engaged itself in continuous innovation of products which caters to all the segments that matter, mainly on the strength of its quality products with wide range of hues, quality and price choices.

The Company has a state of the art and most modern Embroidery Unit within its factory premises initially set up in the year 2009, which has 40 fully automatic embroidery machines imported from Japan. In-house embroidery unit extends an edge to the Company in adding value to its increasingly popular products thus inducing increased demand for embroidered

fabric. Embroidered furnishing fabric and bed linen have together enabled the Company to increase its stronghold and thus seize a sizeable market share too.

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 enhancing the living standards and is also instrumental to a large extent in adding up to 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 competitors find it 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.

The furnishing industry has by and large has been able to withstand the market slow down at times and fluctuation in prices of essential raw materials to a considerable extent. The Company has kept pace with the advancements around and forged its synergies in innovating techniques and competes well in design

Management Discussion and Analysis Report (Contd.)

and development of its range of products to beat the competition, persistent with constant improvisation, astute pricing policy and highest quality standards.

SEGMENT WISE OR PRODUCT WIDE PERFORMANCE

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

The Company does not have any geographical segment.

OUTLOOK

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

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

RISKS & CONCERNS

The Company remains apprehensive of the market environment and the conditions of general economic slowdown and downturn, which is not allowing the contemporary markets to go in to revival mode. 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.

DISCUSSION ON FINANCIAL PERFORMANCE

The Company achieved a gross turnover of ₹ 11596.24 Lakhs during the year and net profit of ₹388.26 Lakhs during the year under review.

The Company has overcome the lean spell witnessed in the last couple of years and produced 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

Management Discussion and Analysis Report (Contd.)

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.

**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 371.

DISCLOSURE OF ACCOUNTING TREATMENT

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

NOTE

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

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

ANNEXURE-VI

The details of remuneration during the year 2016-2017 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	Executive Directors	Ratio to median remuneration
		Shri Vijay Kumar Gupta	28.46:1
		Shri Susheel Kumar Gupta	28.46:1
		Shri R.Malhotra	13.01:1
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	Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
		Shri Vijay Kumar Gupta	Nil
		Shri Susheel Kumar Gupta	75%
		Shri R.Malhotra	28%
		Shri S.Nagarajan	28%
Note: During the year 2016-2017, 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- 2016-2017:

28.26% increase in the median remuneration of employees for the year 2016-2017

iv. Number of permanent employees on the rolls of the Company as on 31st March, 2017- 185.

v. **Explanation** on relationship between average increase in remuneration & Company performance

During the year there is an average increase of 20% to 30% depends upon the level of employees and Company's annual turnover increased from ₹107.90 Crores to ₹115.96 Crores .

vi. **Comparison of the Remuneration of Key Managerial Personnel against the performance of the Company.**

Aggregate remuneration of Key Managerial Personnel (KMP) in FY 2016-2017 (₹: in Lakhs)	122.40
Revenue (₹: Lakhs)	11828.92
Remuneration of KMPs (as % of revenue)	1.06
Profit before Tax (PBT) (₹: in Lakhs)	426.66
Remuneration of KMP (as % of PBT)	28.69

- 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	31.03.2016	31.03.2017
Market Capitalization of the Company (in ₹: Lakhs)	418.98	1779.10
Closing price at the Bombay Stock Exchange Ltd. (In ₹ :)	18.85	42.40
Price Earnings Ratio as at the closing date	21.67	14.32

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 44.55% .

Increase in the managerial remuneration for the year was 27.41%.

- ix. **Comparison of each remuneration of the key managerial personal against the performance of the Company:(₹.in Lakhs)**

Particulars	Mr. Vijay Kumar Gupta Managing Director	Mr. Susheel Kumar Gupta Executive Director	Mr. R Malhotra Finance Director	Mr. S Nagarajan Company Secretary
Remuneration in FY 2016-2017	42.00	42.00	19.20	19.20
Revenue	11828.92	11828.92	11828.92	11828.92
Remuneration as % of revenue	0.36	0.36	0.16	0.16
Profit before Tax (PBT)	426.66	426.66	426.66	426.66
Remuneration (as % of PBT)	9.84	9.84	4.50	4.50

- 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 in violation 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.

Sd/-

Place : Secunderabad
Date : 24.07.2017

RAKESH MALHOTRA
Chief Financial Officer
DIN: 05242639

Sd/-

(VIJAYKUMAR GUPTA)
Chief Executive Officer
DIN: 01050958

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members

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, 2017, 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, 2017.

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's Registration No. 011168S

Sd/-

Dayaniwas Sharma
Partner
Membership No. 216244

Place : Hyderabad
Date: 22.05. 2017

To
The Members of
VIJAY TEXTILES LIMITED

We have audited the accompanying financial statements of **Vijay Textiles Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2017, 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 judgement, 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 2017 ;
- (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, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2017 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.
 - (iv) The Company had provided requisite disclosures in its financial statements as regards its holdings and dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016.

Based on Audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of accounts maintained by the Company refer Note No.25.7 and as produced to us by the management.

For **Laxminiwas & Co**
Chartered Accountants
Firm's Registration No. 011168S

Sd/-

Dayaniwas Sharma
Partner
Membership No. 216244

Place : Hyderabad
Date : 22.05.2017

Annexure A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2017, 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 except material lying with the third parties (which have substantially been confirmed by third party). The discrepancies noticed on verification between the physical stocks and the book/records were not material, nevertheless those have been dealt properly within the books of accounts.
- (iii). According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, para 3(iii) (a), (b) and (c) of the order are not applicable.
- (iv). In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v). 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 31 March 2017.

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 31 March 2017 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:

Type of Dues	Assessment year	Amount Outstanding as on 31.03.2017	Amount Outstanding as on 31.03.2016	Appeal Pending with
Income Tax	2009-10	88,36,190	16,34,000	CIT Appeals – IV
	2010-11	104,54,024	1,04,54,024	AO Order is awaited
	2011-12	2,70,350	2,70,350	CIT Appeal – IV

- (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) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (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 give 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 equity shares.

Particulars	As at 31.03.2017	
	No. of Equity Shares	Amount
At the beginning of the period	1,15,00,000	11,50,00,000
Add: Issued during the year	16,25,000	1,62,50,000
At the closing of the period	1,31,25,000	Rs. 13,12,50,000

- (xv). According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi). The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Laxminiwas& Co.**
Chartered Accountants
Firm's registration number: 011168S

Sd/-

Dayaniwas Sharma

Partner

Membership number: 216244

Place : Hyderabad
Date : 22.05. 2017

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Vijay Textiles Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-

Dayaniwas Sharma

Partner

Membership Number: 216244

Place : Hyderabad
Date : 22.05.2017

NOTES TO FINANCIAL STATEMENTS**I.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.

I.1. PROPERTY , PLANT AND EQUIPMENT

Property, plant and equipment are stated at original cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. When significant parts of Property, plant and equipment are required to be replaced at intervals , the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred. The present value of expected cost for decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

Depreciation on the property, plant and equipment is provided over the useful life of asset as specified in Schedule II to the Companies Act 2013. Property, plant and equipment which are added/ disposed off during the year, depreciation is provided on pro rata basis with reference to the month of addition/ deletion. In case of the following category of property, plant and equipment , the depreciation has been

provide based on the technical evaluation of the remaining useful life which is different from the one specified in Schedule II to the companies Act 2013. All assets costing individually Rs.5, 000 and below are depreciated fully in the year of purchase.

I.2. 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.

I.3. 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.

Expenditure is accounted for on accrual basis and provision is made for all known losses and obligations. Income from Job work is recognized on the work completion basis.

I.4. LEASES

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

I.5. 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.

I.6. 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.

1.7. 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.

1.8. 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.

1.9. 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 earnings 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

1.10. 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.

1.11. 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.

I.12. 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.

I.13. 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, 2017**



TEXTILES LIMITED

Particulars	Notes	As at 31.03.2017 ₹	As at 31.03.2016 ₹
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	65,88,52,689	64,26,02,689
Reserves & Surplus	3	48,44,42,435	41,37,51,708
		<u>114,32,95,124</u>	<u>105,63,54,397</u>
Non-Current Liabilities			
Long Term Borrowings	4	99,65,09,253	104,85,63,467
Deferred Tax Liabilities (Net)	5	10,03,46,684	9,65,06,672
		<u>109,68,55,937</u>	<u>114,50,70,139</u>
Current Liabilities			
Short Term Borrowings	6	67,69,93,851	56,65,90,627
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		19,24,11,808	18,25,08,988
Other Current Liabilities	8	26,00,85,332	21,29,38,905
Short Term Provisions	9	76,57,215	31,41,311
		<u>113,71,48,206</u>	<u>96,51,79,831</u>
TOTAL		<u>337,72,99,267</u>	<u>316,66,04,367</u>
ASSETS			
Non-Current Assets			
Fixed Assets :	10		
Tangible Assets		80,03,14,130	85,88,06,589
Intangible Assets		1,82,338	72,807
		<u>80,04,96,468</u>	<u>85,88,79,396</u>
Long-Term Loans and Advances	11	2,37,71,050	2,27,24,706
		<u>82,42,67,518</u>	<u>88,16,04,102</u>
Current Assets			
Inventories	12	110,22,41,009	90,46,31,578
Trade Receivables	13	119,25,28,644	114,70,92,201
Cash and Bank balances	14	39,50,575	68,39,055
Short Term Loans and Advances	15	23,33,53,939	20,65,79,078
Other Current Assets	16	2,09,57,582	1,98,58,353
		<u>255,30,31,749</u>	<u>228,50,00,265</u>
TOTAL		<u>337,72,99,267</u>	<u>316,66,04,367</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**
Chartered Accountants
Firm Registration Number:011168S

For and on behalf of the Board
Vijay Textiles Limited
CIN : LI8100TG1990PLC010973
Sd/-

Dayaniwas Sharma
Partner
Membership No.216244

Vijay Kumar Gupta
Chairman & Managing Director
DIN:01050958

Susheel Kumar Gupta
Executive Director
DIN:00362714

Place : Hyderabad
Date : 22nd May, 2017

R. Malhotra
Finance Director & CFO
DIN:05242639

S. Nagarajan
Company Secretary
M.No:2532

**STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED
31ST MARCH, 2017**



TEXTILES LIMITED

Particulars	Notes	Year	Year
		2016-17	2015-16
		₹	₹
INCOME			
Revenue from Operations		115,96,24,126	107,90,40,690
Other Income	17	2,32,67,643	62,80,102
Total Revenue		118,28,91,769	108,53,20,792
EXPENSES			
Cost of Materials Consumed	18	74,92,16,057	48,50,02,904
Purchase of Stock -in -Trade		7,09,44,045	11,78,42,405
Packing Material Consumed	19	72,74,292	56,89,924
Changes in Inventories of Finished Goods and Work -in-Progress	20	(19,49,13,589)	(3,56,29,299)
Manufacturing Expenses	21	7,12,81,172	7,22,04,883
Employee Benefit Expenses	22	7,13,18,872	5,79,72,816
Finance Charges	23	20,42,02,524	20,21,72,297
Depreciation and Amortization Expenses	10	7,42,03,436	8,50,11,082
Other Expenses	24	8,66,99,202	8,42,89,397
Total Expenses		114,02,26,011	107,45,56,409
Profit Before Extraordinary Items and Tax		4,26,65,758	1,07,64,383
Extraordinary Items		-	-
Profit before tax		4,26,65,758	1,07,64,383
TAX EXPENSES			
Deferred tax		38,40,012	7,02,639
Total Tax Expenses		38,40,012	7,02,639
Profit for the period (after tax)		3,88,25,746	1,00,61,744
Weighted Average Number of Equity Shares		1,31,25,000	1,15,00,000
Earnings per Equity Share - Basic & Diluted (Face Value of ₹ 10 each)		2.96	0.87
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**
Chartered Accountants
Firm Registration Number:011168S
Dayaniwas Sharma
Partner
Membership No.216244

For and on behalf of the Board
Vijay Textiles Limited
CIN : LI8100TG1990PLC010973
Sd/-

Vijay Kumar Gupta
Chairman & Managing Director
DIN:01050958

Susheel Kumar Gupta
Executive Director
DIN:00362714

Place : Hyderabad
Date : 22nd May, 2017

R. Malhotra
Finance Director & CFO
DIN:05242639

S. Nagarajan
Company Secretary
M.No:2532

**CASH FLOW STATEMENT FOR THE
YEAR ENDED 31ST MARCH, 2017**



TEXTILES LIMITED

Particulars	Year	
	2016-2017 ₹	2015-2016 ₹
A. Cash Flow From Operating Activities		
Net Profit Before Tax And Extraordinary Items	4,26,65,758	1,07,64,383
Adjustment For		
Depreciation	7,42,03,436	8,50,11,082
Interest	20,42,02,524	20,21,72,297
Loss on Sale of Fixed Assets	1,51,074	8,391
Profit on Sale of Fixed Assets	(4,67,035)	(7,951)
Preference Dividend	(5,27,600)	-
Dividend Distribution Tax	(1,07,419)	-
Interest Received	(4,82,045)	(10,54,157)
Interest Subsidy Received	(11,09,516)	(5,01,974)
	27,58,63,419	28,56,27,688
Operating Profit Before Working Capital Changes	31,85,29,177	29,63,92,071
Adjustment For		
(Increase) in Trade & Other Receivables	(7,37,74,284)	(18,08,29,001)
(Increase) in Inventories	(19,76,09,431)	(3,97,43,665)
Increase in Trade & Other Payables	6,15,65,151	5,95,66,657
	(20,98,18,564)	(16,10,06,009)
Cash Generated From Operations	10,87,10,613	13,53,86,062
Direct Taxes Paid	(5,82,593)	(49,288)
Net Cash Flow From Operating Activities(A)	10,81,28,020	13,53,36,774
B. Cash Flow From Investing Activities		
Purchase Of Fixed Assets	(1,77,41,676)	(5,51,29,192)
Decrease In Capital Work In Progress	-	68,81,227
Sale Of Fixed Assets	22,37,129	3,00,000
Interest Received	4,82,045	10,54,157
	(1,50,22,502)	(4,68,93,808)
Net Cash Used In Investing Activities (B)	(1,50,22,502)	(4,68,93,808)

**CASH FLOW STATEMENT FOR THE YEAR
ENDED 31ST MARCH, 2017 (CONTD.)**



TEXTILES LIMITED

Particulars	Year	
	2016-2017	2015-2016
	₹	₹
C. Cash Flow From Financing Activities		
Increase In Short Term Borrowings	11,04,03,224	(41,23,052)
Decrease In Long Term Borrowings	(5,20,54,214)	3,89,26,609
Proceeds From Equity Share Capital	4,87,50,000	2,76,00,000
Interest Subsidy Received	11,09,516	5,01,974
Interest Paid	(20,42,02,524)	(20,21,72,297)
	9,59,93,998	(13,92,66,766)
Net Cash Used In Financing Activities (C)	(9,59,93,998)	(13,92,66,766)
Net Increase/ (Decrease) In Cash And Cash Equivalents (A+B+C)	(28,88,480)	(5,08,23,800)
Opening Cash And Cash Equivalents	68,39,055	5,76,62,855
Closing Cash And Cash Equivalents	39,50,575	68,39,055

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

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

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

Dayaniwas Sharma
Partner
Membership No.216244

Vijay Kumar Gupta
Chairman & Managing Director
DIN:01050958

Susheel Kumar Gupta
Executive Director
DIN:00362714

Place : Hyderabad
Date : 22nd May, 2017

R. Malhotra
Finance Director & CFO
DIN:05242639

S. Nagarajan
Company Secretary
M.No:2532

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹
NOTE 2 : SHARE CAPITAL		
Authorised Capital		
2,00,00,000 (Previous Year : 2,00,00,000) Equity Shares of ₹10/- each	20,00,00,000	20,00,00,000
53,00,000 (Previous Year : 53,00,000) 0.10% Non-Convertible Cumulative Redeemable Preference Shares of ₹100/- each	53,00,00,000	53,00,00,000
TOTAL	73,00,00,000	73,00,00,000
Issued, Subscribed and Paid-Up Capital		
1,31,25,000 (Previous Year : 1,15,00,000) Equity Shares of ₹10/- each	13,12,50,000	11,50,00,000
52,76,000 (Previous Year :52,76,000) 0.10% Non-Convertible Cumulative Redeemable Preference Shares of ₹100/- each	52,76,00,000	52,76,00,000
Share Forfeiture	2,689	2,689
TOTAL	65,88,52,689	64,26,02,689

Notes

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

Particulars	As at 31.03.2017		As at 31.03.2016	
	No. of Shares	Amount ₹	No. of Shares	Amount ₹
Equity Shares				
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	16,25,000	1,62,50,000	-	-
At the closing of the period	1,31,25,000	13,12,50,000	1,15,00,000	11,50,00,000
Preference Shares				
At the beginning of the period	52,76,000	52,76,00,000	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	52,76,000	52,76,00,000

(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
0.10% Non-Convertible Cumulative Redeemable Preference Shares ₹. 100 each	50,00,000	24th March,2012	1st April,2016	20
0.10% Non-Convertible Cumulative Redeemable Preference Shares ₹. 100 each	2,76,000	29th October,2015	1st April,2016	8

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

Name of the Shareholder	As at 31st March,2017		As at 31st March,2016	
	Number of Shares	%	Number of Shares	%
Equity Shares of ₹ 10/- each held by				
1. Vijay Kumar Gupta	44,98,016	34.27	34,98,016	30.42
2. Susheel Kumar Gupta	28,04,699	21.37	21,79,699	18.95

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

Name of the Shareholder	As at 31st March,2017		As at 31st March,2016	
	Number of Shares	%	Number of Shares	%
Preference Shares of ₹ 100/- each held by				
Vijay Kumar Gupta	52,76,000	100	52,76,000	100

Note 3 : RESERVES & SURPLUS	As at 31.03.2017 ₹.	As at 31.03.2016 ₹.
Securities Premium Reserve	22,68,12,510	19,43,12,510
General Reserve	31,52,61,541	31,52,61,541
Capital Reserve	1,70,00,000	1,70,00,000
Surplus In The Statement Of Profit & Loss Account		
Opening Balance	(11,28,22,343)	(12,28,84,087)
Add :Profit/(Loss) for the period	3,88,25,746	1,00,61,744
Less: Preference Dividend	5,27,600	-
Less: Dividend Distribution Tax	1,07,419	-
Net Surplus in the Statement of Profit & Loss	(7,46,31,616)	(11,28,22,343)
TOTAL	48,44,42,435	41,37,51,708

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹
Note 4 : LONG TERM BORROWINGS		
A. Secured		
Term Loan From Banks (Refer Note I)	52,70,20,560	68,72,55,343
Vehicle Loans (Refer Note II)	2,18,23,693	73,48,124
B. Unsecured		
Loans and Advances from other related parties (Refer Note III)	44,76,65,000	35,39,60,000
TOTAL	99,65,09,253	104,85,63,467

Notes:

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

- (a). First pari passu charge on all the immovable and movable Fixed Assets present and future of the Company.
- (b). Second pari passu charge on all the current assets of the Company (excluding credit card receivables).
- (c). Further the terms loans are collaterally secured by;
 - (i) Commercial space admeasuring 5108.75 sft, bearing shop Nos: 8,9,11 and 13, situated in Ground Floor, Surya Towers, 104, S.P.Road, Secunderabad-500 003,standing in the names of Shri Vijay Kumar Gupta,Shri Vijay Kumar Gupta(HUF), Shri Susheel Kumar Gupta and Smt. Shashikala Gupta.
 - (ii) Pledge of entire shares held by Promoters i.e. Shri Vijay Kumat Gupta, Shri Susheel Kumar Gupta, Smt Shashikala Gupta.
 - (iii). Personal Guarantees of Mr. Vijay Kumar Gupta,Vijay Kumar Gupta HUF, Mr. Susheel Kumar Gupta and Mrs. Shashikala Gupta. Guarantee limited to the value of the security mortgaged.
 - (iv) Term Loan-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 .

Terms of Repayment:

- 1 State Bank of India - Term Loan -I,II ,III and IV repayable in 58 monthly instalments . Amount repayable during the calendar year, 2017 ₹ 60.21 Lakhs and during the period 2018 to 2021 ₹72.25 Lakhs per annum, commencing from 31st July,2015 , presently interest @11.55% p.a. under 1 year MCLR based lending rate with annual reset.
- 2 State Bank of India - Funded Interest Term Loan - repayable in 58 monthly instalments . Amount repayable during the calendar year 2017 ₹10.77 Lakhs and during period 2018 to 2021 ₹12.72 Lakhs per annum, commencing from 31st July, 2015, presently bearing interest @11.80% p.a. under 1 year MCLR based lending rate with annual reset.

- 3 State Bank of India - Working Capital Term Loan - repayable in 46 monthly instalments. Amount repayable during the calendar year 2017 ₹163.78 Lakhs and during the period 2018 to 2020 ₹196.54 Lakhs per annum commencing from 31st July, 2015, presently bearing interest @11.55% p.a. under 1 year MCLR based lending rate with annual reset.
- 4 State Bank of India - Priority Debt Term Loan - repayable in 40 monthly instalments. Amount repayable during the calendar year 2017 ₹57.33 Lakhs, during the period 2018 to 2020 ₹68.80 Lakhs per annum and during the period 2020 to 2021 ₹34.00 Lakhs per annum commencing from 31st July, 2015, presently bearing interest @11.55% p.a. under 1 year MCLR based lending rate with annual reset.
- 5 State Bank of Hyderabad - Term Loan -I,II ,III and IV repayable in 60 monthly instalments . Amount repayable during the calendar year 2017 ₹715.52 Lakhs and during the period 2018 to 2021 ₹767.88 Lakhs per annum, commencing from 31st July, 2015, presently bearing interest @11.75% p.a. under 1 year MCLR based lending rate.
- 6 State Bank of Hyderabad - Funded Interest Term Loan repayable in 59 equal monthly instalments. Amount repayable during the calendar year 2017 ₹125.18 Lakhs and during the period 2018 to 2021 ₹136.56 Lakhs per annum commencing from 31st July, 2015, presently bearing interest @11.750% p.a. under 1 year MCLR based lending rate.
- 7 State Bank of Hyderabad -Working Capital Term Loan repayable in 47 monthly instalments Amount repayable during the calendar year, 2017 ₹ 50.05 Lakhs and during the period 2018 to 2020 ₹54.60 Lakhs per annum commencing from 31st July, 2015, presently bearing interest @11.75% p.a. under 1 year MCLR based lending rate.
- 8 State Bank of Hyderabad - Priority Debt Loan repayable in 41 monthly instalments .Amount repayable during the calendar year 2017 ₹.84.37 Lakhs, during the period 2018 -2019 ₹ 92.04 Lakhs per annum and during the period 2020 ₹46.02 Lakhs per annum commencing from 31st July, 2015, presently bearing interest @11.75% p.a. under 1 year MCLR based lending rate.
- 9 Axis Bank Limited - Term Loan is repayable in 58 monthly instalments. Amount repayable during the financial year 2016-2017 ₹ 3.60 Lakhs and during the period 2017 -2021 ₹ 43.20 Lakhs per annum and during the period 2021 to 2022 ₹32.40 Lakhs per annum commencing from 31st July, 2015, presently bearing interest @ 10.50% p.a. under 3 months MCLR based lending rate.
- 10 Axis Bank Limited - Funded Interest Term Loan repayable in 58 monthly instalments. Amount repayable during the financial year 2016-2017 ₹ 0.65 Lakhs and during the period 2017-2021 ₹7.80 Lakhs per annum and during the period 2021 to 2022 ₹5.85 Lakhs per annum commencing from 31st July, 2015, presently bearing interest @ 10.50% p.a. under 3 months MCLR based lending rate.
- 11 Axis Bank Limited - Working Capital Term Loan repayable in 46 monthly instalments. Amount repayable during the financial year 2016-2017 ₹ 9.28 Lakhs and during the period 2017-2020 ₹111.36 Lakhs per annum and during the period 2020 to 2021 ₹ 83.52 Lakhs per annum commencing from 31st July, 2015, presently bearing interest @ 10.50% p.a. under 3 months MCLR based lending rate.
- 12 Axis Bank Limited - Priority Debt Loan repayable in 40 monthly instalments. Amount repayable during the financial 2016-2017 ₹3.27 Lakhs and during the period 2017-2020 ₹ 39.24 Lakhs per annum and during the period 2020 to 2021 ₹ 9.81 Lakhs per annum commencing from 31st July, 2015, presently bearing interest @ 10.50% p.a. under 3 months MCLR based lending 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.32680612 is repayable in monthly installment of ₹1.30 Lakhs each inclusive of interest ending on 7th May,2018.
- 2 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.
- 3 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.
- 4 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.
- 5 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.
- 6 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.
- 7 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.
- 8 Loan availed from Toyota Financial Services India Ltd., under Loan Account No.NHYD1090946 is repayable in monthly installment of ₹3.22 Lakhs each inclusive of interest ending on 10th December,2020.
- 9 Loan availed from Tata Capital Financial Services Limited , under Loan Account No.7000351893 is repayable in monthly installment of ₹0.68 Lakhs each inclusive of interest ending on 15th April,2019.
- 10 Loan availed from Tata Capital Financial Services Limited , under Loan Account No.7000352936 is repayable in monthly installment of ₹0.29 Lakhs each inclusive of interest ending on 15th April,2019.
- 11 Loan availed from Yes Bank Limited , under Loan Account No.ALN000600122083 is repayable in monthly installment of ₹0.78 Lakhs each inclusive of interest ending on 15th July,2019.

III) Unsecured Loans From Related Parties:

- I Unsecured Loans are from Shri.Vijay Kumar Gupta, Chairman and Managing Director and Shri. Susheel Kumar Gupta, Executive Director of the Company repayable over a period of 5 years ending on 15th April, 2022.

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹
Note 5 : DEFERRED TAX LIABILITIES (NET)		
Opening Balance	9,65,06,672	9,58,04,033
Provision for the year ended	<u>38,40,012</u>	<u>7,02,639</u>
Closing Balance	<u>10,03,46,684</u>	<u>9,65,06,672</u>

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹
Note 6 : SHORT TERM BORROWINGS		
Working Capital Borrowings from Banks	67,42,48,181	56,65,90,627
Credit balance of Current Account	27,45,670	-
TOTAL	67,69,93,851	56,65,90,627

Notes :

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 Mr. Vijay Kumar Gupta, Vijay Kumar Gupta HUF, Mr. Susheel Kumar Gupta and Mrs. Shashikala Gupta. Guarantee limited to the value of the security mortgaged.

Note 7 : TRADE PAYABLES

Trade Payables

(a) Due to micro and small enterprises	-	-
(b) Due to other than micro and small enterprises	19,24,11,808	18,25,08,988
TOTAL	19,24,11,808	18,25,08,988

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

PARTICULARS	As at 31.03.2017 ₹	As at 31.03.2016 ₹
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

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹
Note 8 : OTHER CURRENT LIABILITIES		
Term Loan instalments due less than 12 months	18,37,19,597	14,78,29,352
Vehicle Loan instalments due less than 12 months	18,59,927	85,97,054
Interest Accrued and Due on Borrowings	1,08,96,654	83,72,434
Unclaimed Dividend	3,53,785	5,66,535
Other Liabilities	6,32,55,369	4,75,73,530
TOTAL	26,00,85,332	21,29,38,905

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 of Dividend Distribution Tax	1,07,419	-
Provision for Bonus	16,02,196	12,88,635
Provision for Leave Encashment	17,72,148	14,31,039
Provision for Incentives	7,26,356	1,56,154
Provision for Gratuity	34,49,096	2,65,483
TOTAL	76,57,215	31,41,311

NOTE 10 : FIXED ASSETS

Particulars	Gross Block			Depreciation			Net Block	
	As at 01.04.2016	Additions	Deletion/ Adjustment	As at 31.03.2017	For P & L Adjustment	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
Tangible Assets:								
Land	7,62,54,798	-	-	7,62,54,798	-	-	7,62,54,798	7,62,54,798
Building	22,25,09,987	-	-	22,25,09,987	66,80,741	-	16,68,27,353	17,35,08,094
Lease Hold Property	9,51,43,860	-	-	9,51,43,860	38,97,318	-	6,12,46,867	6,51,44,185
Plant & Machinery	53,99,59,887	5,20,941	-	54,04,80,828	1,91,83,941	-	33,75,09,825	35,61,72,825
Electrical Installation	8,62,09,179	92,735	-	8,63,01,914	1,06,50,901	-	2,65,51,982	3,71,10,148
Furniture & Fixtures	28,92,70,517	2,85,490	-	28,95,56,007	2,83,47,593	-	9,34,31,015	12,14,93,118
Office Equipment	36,35,355	14,500	-	36,49,855	28,563	-	2,05,228	2,19,291
Vehicles	4,56,40,288	1,63,35,587	69,20,316	5,50,55,559	51,81,923	49,99,148	3,77,55,440	2,85,22,944
Computers	18,73,312	3,12,810	-	21,86,122	1,62,374	-	5,31,622	3,81,186
Sub Total (A)	136,04,97,183	1,75,62,063	69,20,316	137,11,38,930	7,41,33,354	49,99,148	80,03,14,130	85,88,06,589
Intangible Assets:								
Computer - Software	10,47,823	1,79,613	-	12,27,436	70,082	-	1,82,338	72,807
Sub Total (B)	10,47,823	1,79,613	-	12,27,436	70,082	-	1,82,338	72,807
TOTAL(A+B)	136,15,45,006	1,77,41,676	69,20,316	137,23,66,366	7,42,03,436	49,99,148	80,04,96,468	85,88,79,396
Previous Year	130,81,47,998	5,51,29,192	17,32,184	136,15,45,006	8,50,11,082	14,31,744	85,88,79,396	88,90,61,726
Capital Work In Progress	-	-	-	-	-	-	-	-

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹
Note 11 : LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
Capital Advance	-	-
Security Deposits:		
Rental Deposit	1,69,81,000	1,69,81,000
Deposits with suppliers and for Services	5,04,633	4,79,795
Deposits with Government Bodies	62,85,417	52,63,911
TOTAL	2,37,71,050	2,27,24,706
Note 12 : INVENTORIES		
(At lower of cost or net realisable value)		
Raw-Material	6,55,87,452	6,22,32,272
Work- in- Progress	1,89,71,551	2,05,66,974
Finished Goods	98,50,63,302	78,85,54,290
Stores & Consumables	3,26,18,704	3,32,78,042
TOTAL	110,22,41,009	90,46,31,578
Note 13 : TRADE RECEIVABLES		
Unsecured, Considered Good		
Outstanding for a period exceeding six months	63,01,09,612	76,09,20,120
Others	56,24,19,032	38,61,72,081
TOTAL	119,25,28,644	114,70,92,201
Note 14 : CASH AND CASH EQUIVALENTS		
Cash on Hand	7,97,170	3,23,273
Bank Balance with Scheduled Banks		
- In Current Accounts	17,66,251	49,90,292
- In Unclaimed Dividend Accounts (Refer Note a)	3,57,537	5,70,230
- In Term Deposit Account(Refer Note b)	10,29,617	9,55,260
TOTAL	39,50,575	68,39,055

Notes:

- a) Section 125 of Companies Act,2013 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 31.03.2017 ₹	As at 31.03.2016 ₹
Note 15 : SHORT TERM LOANS & ADVANCES		
(Unsecured and Considered good)		
Advances for Supplies and Services	2,16,099	3,98,713
Pre Paid Expenses	46,29,008	26,94,783
Receivable against cancellation of Tech-Park Project	20,29,91,933	20,29,91,933
Loans and Advances to Employees	5,16,899	4,83,649
Other Advances	2,50,00,000	10,000
TOTAL	23,33,53,939	20,65,79,078
Note 16 : OTHER CURRENT ASSETS		
Income Tax Receivable	1,97,86,207	1,92,03,614
Interest Receivable	3,93,386	3,71,375
Other Current Assets	7,77,989	2,83,364
TOTAL	2,09,57,582	1,98,58,353

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

Note 17 : OTHER INCOME

Interest Received	4,82,045	10,54,157
Interest Subsidy Received	11,09,516	5,01,974
Miscellaneous Income	2,16,76,082	47,23,971
TOTAL	2,32,67,643	62,80,102

Note 18 : COST OF RAW MATERIALS CONSUMED

Opening Stock	6,22,32,272	6,27,72,001
Add: Purchases	75,25,71,237	48,44,63,175
	81,48,03,509	54,72,35,176
Less: Closing Stock	6,55,87,452	6,22,32,272
Consumption	74,92,16,057	48,50,02,904

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹
Note 19 : PACKING MATERIAL CONSUMED		
Opening Stock	6,66,329	7,46,428
Add: Purchases	71,08,859	56,09,825
	<u>77,75,188</u>	<u>63,56,253</u>
Less: Closing Stock	5,00,896	6,66,329
Consumption	<u>72,74,292</u>	<u>56,89,924</u>
Note 20 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
OPENING STOCK		
Finished Goods	78,85,54,290	74,84,94,775
Stock in Process	2,05,66,974	2,49,97,190
TOTAL (A)	<u>80,91,21,264</u>	<u>77,34,91,965</u>
CLOSING STOCK		
Finished Goods	98,50,63,302	78,85,54,290
Stock in Process	1,89,71,551	2,05,66,974
TOTAL (B)	<u>100,40,34,853</u>	<u>80,91,21,264</u>
Net Increase/(Decrease) in Stocks (A-B)	<u>19,49,13,589</u>	<u>3,56,29,299</u>
Note 21 :MANUFACTURING EXPENSES		
Carriage & Freight	34,26,607	42,86,829
Consumption of Firewood	2,13,73,481	2,22,32,165
Power & Fuel	2,06,41,797	2,11,97,119
Consumption of Design & Development	38,27,271	44,03,979
Consumption of Stores & Consumables	75,69,369	36,98,660
Other Manufacturing Expenses	54,18,321	45,83,898
Repairs to Plant & Machinery	30,87,261	50,72,038
Effluent Treatment Plant Expenses	59,37,065	67,30,195
TOTAL	<u>7,12,81,172</u>	<u>7,22,04,883</u>
Note 22 : EMPLOYEE BENEFIT EXPENSES		
Managerial Remuneration	1,03,20,000	81,00,000
Office Staff Salaries	1,70,82,116	1,27,28,730
Factory Wages & Salaries	2,71,70,268	2,55,25,309
Employees Benefit	49,29,923	39,82,337
Incentives	37,13,981	23,29,454
Gratuity	31,83,613	9,32,145
Contribution to P.F and E.S.I	49,18,970	43,74,841
TOTAL	<u>7,13,18,871</u>	<u>5,79,72,816</u>

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹
Note 23 : FINANCE COSTS		
Interest Charges	19,75,95,414	19,73,68,957
Other borrowing Charges	63,89,913	43,67,790
Bank and Finance Charges	2,17,197	4,35,550
TOTAL	20,42,02,524	20,21,72,297
Note 24 : OTHER EXPENSES		
Rent	27,03,708	27,03,708
Lease Rental Charges	2,69,52,737	2,62,49,826
Rates, Taxes, Licences & Fees	68,94,432	48,80,454
Printing & Stationery	12,10,552	11,92,168
Postage & Telephones	32,98,812	29,86,138
Office Electricity & Water	1,20,96,854	1,23,74,896
Travelling & Conveyance	24,84,354	21,90,232
Advertisement & Publicity	35,52,926	48,78,673
Agents Commission	42,53,574	46,08,826
Selling Expenses	82,68,401	59,72,610
Insurance	27,62,320	26,66,964
Remuneration to Auditors :		
Audit Fees	4,02,500	4,00,750
Tax Audit Fees	1,15,000	1,14,500
Directors' Sitting Fees	2,23,000	90,000
Legal & Professional Charges	23,13,515	17,46,690
Repairs to Buildings	9,77,959	18,12,143
Repairs to Other Assets	52,53,363	52,21,913
Vehicle Maintenance	13,67,513	15,28,915
Miscellaneous Expenses	13,98,108	15,43,646
Loss on Sale of Fixed Assets	1,51,074	11,26,345
Donations	18,500	-
TOTAL	86,699,202	84,289,397

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 ₹.63,10,000/- Lakhs).

(ii). Export Obligation

Particulars	Amount	Period (in yrs)	Ending On	Remarks
Export Obligation for concessional duty availed for import of machinery	9,39,30,216	8	07 th April 2018 (After 2 nd Extension)	The Company has received approval from Director General Foreign Trade, New Delhi vide its order dated 01 st March,2017 for extension in validity period for fulfilling the export obligation under the EPCG License granted to the Company for a further period of 2 years until 7 th April,2018.
	5,87,13,076	6	09 th August 2018 (After 2 nd Extension)	The Company has received approval from Director General Foreign Trade, New Delhi vide its order dated 01 st March,2017 for extension in validity period for fulfilling the export obligation under the EPCG License granted to the Company for a further period of 2 years until 9 th August,2018.
	11,36,33,520	8	28 th November 2019	NIL

(iii). **Income Tax Matters**

Assessment year	Amount Outstanding as on 31.03.17	Amount Outstanding as on 31.03.16	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 dated: 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 ₹Nil. (Previous year ₹15,00,000/- Lakhs).

25.2.(a) Raw Materials Consumed

Type of Raw Material	Year 2016-17	Year 2015-16
(a) Grey Cloth	25,76,45,013	29,10,99,912
(b) Textile Fabrics	42,37,34,411	12,71,51,450
(c) Others	6,78,36,633	6,67,51,542
TOTAL	74,92,16,057	48,50,02,904

(b) **Trading Goods Purchased**

Type of Trading Goods	Year 2016-17	Year 2015-16
Textile Fabrics	6,58,45,614	10,70,99,700
Others	50,98,432	1,07,42,705
TOTAL	7,09,44,046	11,78,42,405

(c) Turnover

Particulars	Year 2016-17	Year 2015-16
(i) Manufactured Goods		
Textile Fabrics	92,68,40,231	83,17,25,948
Others	9,33,09,589	6,21,32,599
(ii) Traded Goods		
Textile Fabrics	9,56,75,328	16,17,87,312
Others	4,37,98,978	2,33,94,831
TOTAL	<u>115,96,24,126</u>	<u>107,90,40,690</u>

(d) Stock

Opening Inventory	As at 31.03.17	As at 31.03.16
(i) Manufactured Goods		
Textile Fabrics	42,70,27,589	47,53,04,073
Others	3,75,55,116	4,07,14,133
(ii) Trading Goods		
Textile Fabrics	28,75,27,004	21,78,39,061
Others	3,64,44,581	1,46,37,508
TOTAL	<u>78,85,54,290</u>	<u>74,84,94,775</u>
Closing Inventory	As at 31.03.17	As at 31.03.16
(i) Manufactured Goods		
Textile Fabrics	54,34,01,967	42,70,27,589
Others	4,32,47,866	3,75,55,116
(ii) Trading Goods		
Textile Fabrics	36,59,05,000	28,75,27,004
Others	3,25,08,469	3,64,44,581
TOTAL	<u>98,50,63,302</u>	<u>78,85,54,290</u>

25.3. Expenditure in Foreign Currency

Particulars	Year 2016-17	Year 2015-16
Travelling Expenses	2,87,931	2,20,038

25.4. Earnings of Foreign Currency

Particulars	Year 2016-17	Year 2015-16
FOB value of Exports	22,08,022	26,72,148

25.5. Capital Work in Progress is Nil (Previous year Nil).

25.6. Preference Shareholder vide letter dated 04th May 2016 has given consent for revision of rate of dividend from the rate of 10% to 0.10% on the 52,76,000 Non-Convertible Cumulative Redeemable Preference Shares of ₹100/- each from 1st April, 2016 onwards to till the end of the period of redemption.

25.7. Disclosure on Specified Bank Notes:

During the year, the Company had Specified Bank Notes (SBN') or other denomination notes as defined in the MCA notification, G.S.R.308E, dated 31st March, 2017. The details of SBNs held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination-wise SBNs and other notes as per the notification are as follows:

(Rupees)

Particulars	Specified Bank Notes (SBNs)	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	3,52,64,000	28,681	3,52,92,681
Add: Permitted Receipts	-	34,56,534	34,56,534
Less: Permitted Payments	24,000	29,62,718	29,86,718
Less: Amount deposited in banks	3,52,40,000	1,200	3,52,41,200
Closing cash in hand as on 30.12.2016	NIL	5,21,297	5,21,297

25.8. 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 2016-17	Year 2015-16
I. Assumptions		
Discount Rate	7.46%	7.46%
Rate of Return on Plan Assets	9.00%	11.00%
Salary Escalation Average for next seven years	8.00%	6.00%
II. Table Showing Change in Benefit Obligation		
Liability at the beginning of the year	82,72,101	73,76,726
Interest Cost	5,95,296	5,49,479
Current Service Cost	16,08,888	9,82,386
Benefit Paid	(5,84,514)	(5,71,099)
Actuarial (gain)/loss on obligations	16,95,133	(65,391)
Liability at the end of the year	1,15,86,904	82,72,101
III. Tables of Fair value of Plan Assets		
Fair Value of Plan Assets at the beginning of the Period	80,06,618	72,74,293
Adjustment to Opening Balance	(5,993)	(6,735)
Expected Return on Plan Assets	6,94,292	8,08,477
Contributions	-	7,75,830
Benefit Paid	(5,84,514)	(5,71,099)
Actuarial gain/(loss) on Plan Assets	27,405	(2,74,148)
Fair Value of Plan Assets at the end of the year	81,37,808	80,06,618
Total Actuarial Gain/(Loss) to be Recognized	27,405	(2,74,148)
IV. Actual Return on Plan Assets:		
Expected Return on Plan Assets	6,94,292	8,08,477
Actuarial gain/(loss) on Plan Assets	27,405	(2,74,148)
Actual Return on Plan Assets	7,21,697	5,34,359
V. Amount Recognized in the Balance Sheet		
Liability at the end of the year	1,15,86,904	82,72,101
Fair Value of Plan Assets at the end of the year	81,37,808	80,06,618
Difference	34,49,096	(2,65,483)
Net Assets/(Liabilities) Recognized in the Balance Sheet	34,49,096	(2,65,483)

VI. Expenses Recognized in the Statement of Profit and Loss

Current Service Cost	16,08,888	9,82,386
Interest Cost	5,95,296	5,49,479
Expected Return on Plan Assets	(6,94,292)	(8,08,477)
Net Actuarial (Gain)/Loss To Be Recognized	16,67,728	(2,08,757)
Expense Recognized in P& L	31,77,620	9,32,145

VII. Balance Sheet Reconciliation

Opening Net Liability	2,65,483	1,02,433
Adjustment to opening balance	5,993	6,735
Expense as above	31,77,620	9,32,145
Employer's Contribution	-	(7,75,830)
Amount Recognized in Balance Sheet	34,49,096	2,65,483

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

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

25.11. Related Parties Disclosures:

Information of Related Party Transactions as required by AS 18 on "Related Party Disclosures" for the year ended 31st March, 2017:

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

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	10,32,0,000	-	19,20,000	1,22,40,000
2	Rent / Lease	27,03,708	-	-	27,03,708
3	Interest on Unsecured Loan	3,77,13,835	-	-	3,77,13,835
4	Unsecured Loan – Taken	23,47,35,411	-	-	23,47,35,411
5	Unsecured Loan – Repaid	14,10,30,411	-	-	14,10,30,411
6	Amount payable at the year end	3,45,71,464	-	-	3,45,71,464
7	Unsecured Loans Outstanding as at 31.03.2017	44,76,65,000	-	-	44,76,65,000

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-24.
- Future minimum lease rentals payable as per the lease agreements :

SI No.	Particulars	As at 31.03. 2017*	As at 31.03. 2016
(i)	Not Later than one year	2,52,82,717	2,14,84,726
(ii)	Later than one year but not later than 5 years	11,53,86,178	10,97,04,163
(iii)	Later than five years	5,93,45,589	9,65,24,121

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

25.13. Deferred Taxes

The breakup of Deferred Tax Liability as on 31st March, 2017 is as follows:

Particulars	As at 31.03.2017	As at 31.03.2016
Opening Deferred Tax Liability (Net)	9,65,06,672	(9,58,04,033)
Recognition of Asset / (Liability) during the year on account of Depreciation	38,40,012	(7,02,639)
Closing Deferred Tax Liability (Net)	10,03,46,684	9,65,06,672

- 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 2017.

25.15. The Company has not provided for cess u/s 441A of The Companies Act, 1956, as the Central Government has not specified the rules and manner of depositing the same.

25.16. Previous year's figures have been regrouped and rearranged wherever necessary so as to make them comparable with the current year.

As per our report of even date
For **LAXMINIWAS & Co**
Chartered Accountants
Firm Registration No:011168S

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

Dayaniwas Sharma
Partner
Membership No: 216244

Vijay Kumar Gupta
Chairman & Managing Director
DIN:01050958

Susheel Kumar Gupta
Executive Director
DIN:00362714

Place: Hyderabad
Date :22nd May,2017

R. Malhotra
Finance Director & CFO
DIN:05242639

S. Nagarajan
Company Secretary
M.No:2532



Vijay Textiles Limited

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

CIN: L18100TGI990PLC010973. Tel No: 040-27848479, E-mail ID: info@vijaytextiles.in

27th Annual General Meeting, Tuesday, 26th September, 2017 at 11.00 A.M

DRId* :
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 27th 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 - 500004 at 11.00 A.M. on Tuesday, 26th September, 2017

.....

 ** 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

NO GIFTS WILL BE DISTRIBUTED AS PER GOVERNMENT NOTIFICATION



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Vijay Textiles Limited

CIN: LI8100TGI990PLC010973.

Name of the Company: Vijay Textiles Limited

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

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

27th Annual General Meeting, Tuesday,26th September,2017 at 11.00 a.m

VOTING BY BALLOT

DPId*
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:

Sl No	Resolutions	For	Against
	Ordinary Business		
1.	Approval of Audited Financial Statements for the financial year 2016-2017		
2.	Re-appointment of Shri Rakesh Malhotra as Whole Time Director		
3	Re-appointment of M/s.Laxminiwas & Co as Statutory Auditors		
	Special Business:		
4	Ratification of payment of Remuneration to Cost Auditors		
5	Re-appointment of Shri Rakesh Malhotra as Whole-time Director for the period of 3 years w.e.f 01.04.2017 to 31.03.2020		

**Member's/Proxy's Signature

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**PROXY FORM****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

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, Sardar Patel Road, Secunderabad - 500 003
Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No./DP ID-Client 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 27th Annual General Meeting of the Company, to be held on Tuesday, 26th September, 2017 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 thereof.

Resolutions:

- Approval of financial statements for the year ended 31.03.2017.
- Re- Appointment of Mr. Rakesh Malhotra, who retires by rotation.
- Re-appointment of M/s.Laxminiwas & Co as Statutory Auditors
- Ratification of payment of Remuneration to Cost Auditors
- Reappointment of Shri Rakesh Malhotra as Whole-time Director for the period of 3 years w.e.f 01.04.2017 to 31.03.2020

Signed this _____ day of _____ 2017

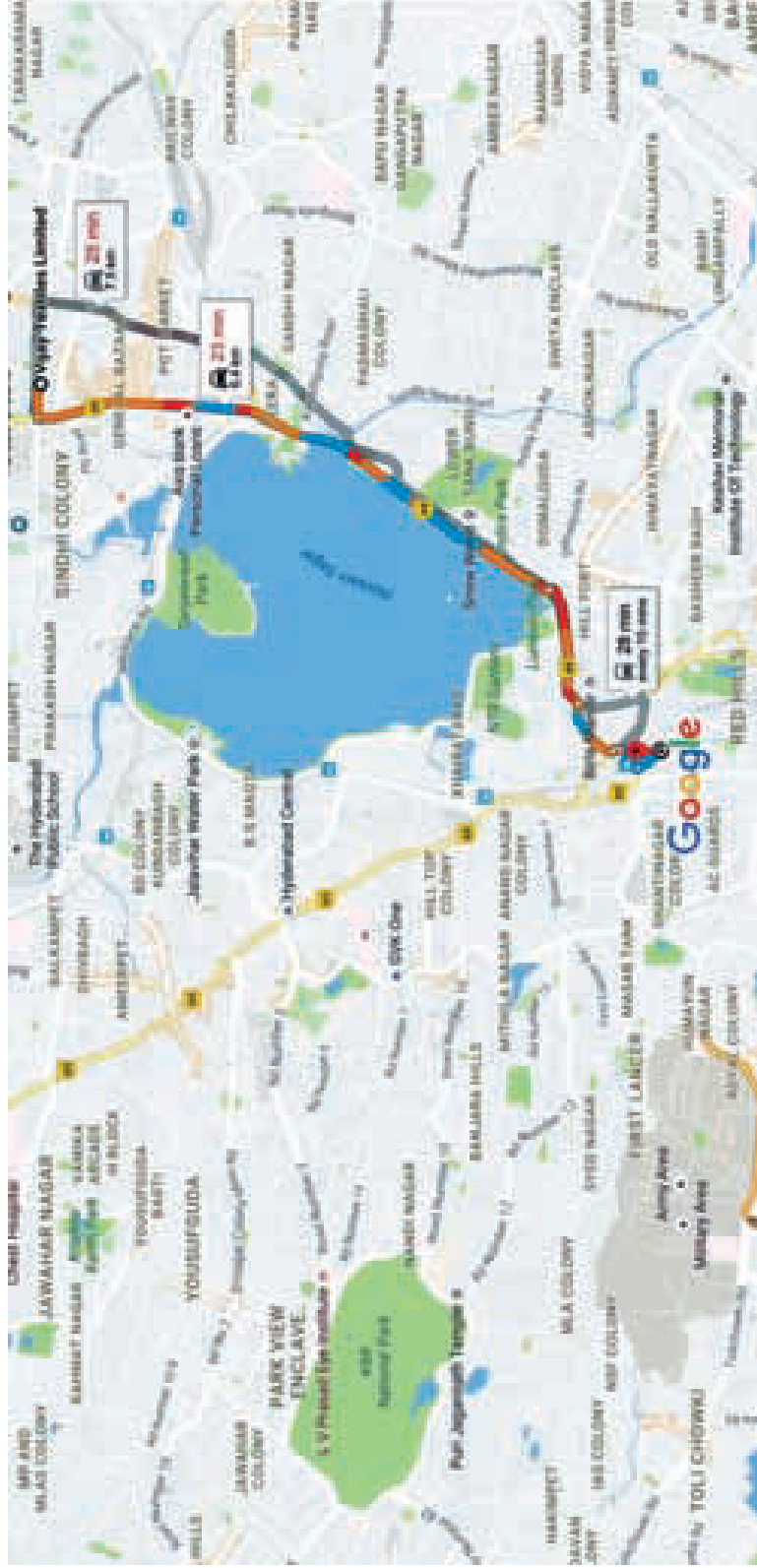
- Note:**
- Proxy need not be a member.
 - Proxy Form, complete in all respects, should reach the Registered Office of the Company on or not later than 48 hours before commencement of the Meeting.

Please
Affix ₹ 1/-
Revenue
Stamp

Signature**NO GIFTS WILL BE DISTRIBUTED AS PER GOVERNMENT NOTIFICATION**

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Route Map to AGM Venue



Printed Matter

If undelivered, please return to:



Corporate Office:

Surya Towers, Ground Floor,
104, Sardar Patel Road,
Secunderabad, Telangana - 500 003
Tel: 27848479 / 27844086
Facsimile: +91-40-2784 6849
Email: info@vijaytextiles.in
Website: www.vijaytextiles.in