

28TH
ANNUAL REPORT
2017 - 2018




vijay

TEXTILES LTD.

www.vijaytextiles.in

Furnishings... Simply incredible!

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BOARD OF DIRECTORS**TEXTILES LIMITED**

Shri Vijay Kumar Gupta	Chairman and Managing Director
Shri Susheel Kumar Gupta	Executive Director and Chief Financial Officer (From 13.08.2018)
Shri R.Malhotra	Finance Director and Chief Financial Officer (Up to 23.07.2018)
Shri M. Srikanth Reddy	Independent Director
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
Plot No. 8-2-603/23/3 & 8-2-603/23/15
2nd Floor, HSR Summit Banjara Hills,
Road No 10 Beside No 1 News Channel
Office , 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: LI8100TGI990PLC010973
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 OF THE 28TH
ANNUAL GENERAL MEETING**



TEXTILES LIMITED

NOTICE is hereby given that the 28th Annual General Meeting of the Members of **VIJAY TEXTILES LIMITED** will be held on Friday, the **28th day of September, 2018, at 10:00 A.M.** at J.S.Krishna Murthy Hall, The Federation of Telangana and Andhra Pradesh Chamber of Commerce & Industry, The Federation House, 11-9-84, Red Hills, Hyderabad- 500 004 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2018 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 Vijay Kumar Gupta (DIN: 01050958), who retires by rotation and being eligible, offer himself for re-appointment.
3. To declare dividend on equity shares for the financial year 31st March, 2018.

SPECIAL BUSINESS:

4. RATIFICATION OF APPOINTMENT AND PAYMENT OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2018-2019:

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, 2019 on a remuneration of ₹35,000/- (Rupees thirty five thousand only) plus out of pocket expenses and applicable taxes."

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

5. CHANGE IN NOMENCLATURE OF 0.10% NON CONVERTIBLE CUMULATIVE REDEEMABLE PREFERENCE SHARES INTO 0.10% CONVERTIBLE CUMULATIVE PREFERENCE SHARES AND CHANGE OF AUTHORISED SHARE CAPITAL:

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

"RESOLVED THAT pursuant to the provisions of Sections 13, 42, 48, 55, 61 & 62 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 consequent to the approval of 0.10% Non- Convertible Cumulative Redeemable Preference Shareholders of the Company, consent of the Members of the Company be and is hereby accorded to change the nomenclature of 0.10 % Non-Convertible Cumulative Redeemable Preference Shares of ₹100/- each into 0.10 % Convertible Cumulative Preference Shares of ₹100/- each and accordingly the Authorized, Issued, Subscribed and Paid up Share Capital in respect of 0.10% Non-Convertible Cumulative Redeemable Preference Shares of ₹100/- each shall be substituted as 0.10 % Convertible Cumulative Preference Shares of ₹100/- each and the effect of the same be given in the Memorandum of Association the Company."

"RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised to take all such necessary steps/actions, deeds, things as may be deemed expedient to give effect this this Resolution including signing and filing of all such necessary documents as may be required in this regard".

6. INCREASE OF AUTHORISED SHARE CAPITAL AND AMENDMENT OF CLAUSE V OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY.

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

“RESOLVED THAT pursuant to Section 13 and Section 61 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 and the Rules made there under, the Authorized Share Capital of the Company be and is hereby increased from ₹73,00,00,000/- (Rupees Seventy Three Crores only) divided into 2,00,00,000 (Two crores only) Equity Shares of ₹10/- (Rupees Ten only) each and 53,00,000 0.10% Convertible Cumulative Preference Shares of ₹100/- each to ₹73,30,00,000/- (Rupees Seventy Three Crores and Thirty lakhs only) divided into 2,03,00,000 (Two Crores and Three lakhs only) Equity Shares of ₹10/- (Rupees Ten only) and 53,00,000 0.10% Convertible Cumulative Preference Shares of ₹100/- each and consequently the existing Clause V of the Memorandum of Association of the Company be and is hereby altered by substituting the following as new Clause V:

V. The Authorized Share Capital of the Company is ₹73,30,00,000 (Rupees Seventy Three Crores and Thirty lakhs only) divided into 2,03,00,000 (Two Crores and Three lakhs only) Equity Shares of ₹10/- (Rupees Ten only) each aggregating to ₹20,30,00,000 (Rupees Twenty Crores and Thirty Lakhs only) and 53,00,000 (Rupees Fifty Three Lakhs Only) Convertible Cumulative Preference Shares of ₹100/- each, aggregating to ₹53,00,00,000/- (Rupees Fifty Three Crores Only). The Company shall have the power, from time to time, to increase or reduce its Capital and to issue any shares in the original or new capital as ordinary or preferred shares and to attach to any class or classes of such shares, any preference, rights, privileges or priorities in payment of dividends or distribution of assets or

otherwise over any other shares or to subject the same to any restrictions, limitations or conditions and to vary regulations, of the Company as far as necessary to give effect to the same and upon the sub-division of s share to apportion the right to participate in profits in any manner. ”

“RESOLVED FURTHER THAT the Board of the Company be and is hereby authorized to take all such necessary steps/actions, deeds, things as may be deemed expedient to give effect to this Resolution including signing and filing of all such necessary documents as may be required in this regard.”

7. ISSUE AND ALLOTMENT OF CONVERTIBLE WARRANTS TO THE PROMOTERS, DIRECTOR (ON CONVERSION OF 0.10% CONVERTIBLE CUMULATIVE PREFERENCE SHARES) AND OTHERS ON PREFERENTIAL BASIS:

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

“RESOLVED THAT in terms of Sections 42 and 62 (1)(c) of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Memorandum and Articles of Association of the Company, SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 and Listing Agreement entered with BSE Limited where the Company’s Equity Shares are listed and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; FIPB, RBI, as may be applicable to the Preferential Issue of Equity Shares and other applicable regulations of SEBI, if any, and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company (hereinafter referred to as the Board which expression shall include any committee thereof for the time being to which all or any of the

powers hereby conferred on the Board by this resolution, have been delegated), the consent of the Members of the Company be and is hereby accorded to the Board to offer, issue and allot in one or more tranches up to 66,60,000 Convertible Warrants to the Promoters (by converting the proportionate existing 0.10% Convertible Cumulative Preference Shares of ₹100/- each) and up to 5,00,000 Convertible Warrants to the others as mentioned in the Explanatory Statement and the said Warrants shall be Convertible into equal number of Equity Shares with in a period not exceeding 18 months from the date of allotment of Warrants in such manner and at such price, terms and conditions in accordance with the provisions of Securities & Exchange Board of India (“SEBI”) (Issue of Capital and Disclosure Requirements) Regulations, 2009 (including any amendments thereto or re-enactment thereof) or other provisions of Law as may be prevailing at the time, provided that the price (inclusive of premium, if any) of the Convertible Warrants so issued shall not be less than the minimum price to be arrived at in accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations”.

“RESOLVED FURTHER THAT The Relevant Date for the purpose of pricing of Convertible Warrants is 29.08.2018 i.e., thirty days prior to the date on which this Annual General meeting (28.09.2018) is held in terms of Section 42 and Section 62 1(c) of the Companies Act, 2013.”

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

“RESOLVED FURTHER THAT the aforesaid Convertible Warrants/resultant Equity Shares allotted in terms of this Resolution shall be

subject to Lock-In requirements as per the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009”.

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

“RESOLVED FURTHER THAT the aforesaid Warrants shall be in accordance with the following terms and conditions:

- A Warrant by itself shall not give to a Warrant holder thereof, any rights of the Shareholder of the Company.
- In the event, the Equity Shares of the Company are either sub-divided or consolidated before the conversion of the Warrants into equity Shares of the Company, then the face value, the number of equity Shares to be acquired on conversion of the Warrants and the Warrant issue price shall automatically stand adjusted in the same proportion, as the present value of the Equity Shares of the Company bears, to the newly sub-divided / consolidated Equity Shares without affecting any right or obligation of the said Warrant holders: and
- In the event the Company’s Equity Capital is affected or changed due to any other corporate actions such as a merger, demerger, consolidation of business, or other reorganization of the Company, tender offer for Equity Shares of sale of undertaking, necessary adjustments with respect to the terms of the aforesaid Warrants shall be made by the Company and such other action as may be deemed necessary or appropriate by the Board shall be taken to reflect such corporate actions, including but without limitation, suitable adjustment of the Warrant issue price, subject to necessary approvals”.

NOTICE (CONTD.)



TEXTILES LIMITED

“RESOLVED FURTHER THAT the Company does apply for listing of the resultant Equity Shares on the Stock Exchanges and thereby comply with the applicable regulations”.

“RESOLVED FURTHER THAT the Company does make an application to the Depositories for admission of the resultant Equity Shares”.

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

“RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorized to agree and accept all such condition(s), modification(s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to

such modification(s) and to resolve and settle all questions, difficulties or doubts that may arise in this regard to implementation of this Resolution, issue and allotment of Convertible Warrants and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the Members of the Company to the intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution”

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

Sd/-

S Nagarajan

Company Secretary

Place: Secunderabad

Date: 13.08.2018

Registered Office:

Surya Towers, Ground Floor,

104, Sardar Patel Road,

Secunderabad – 500 003

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective shall be deposited at the Registered Office of the Company by not less than 48 hours before the 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. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 22.09.2018 to 28.09.2018 (Both days inclusive).
4. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
6. Corporate Members are requested to send to the Company's Registrar & Transfer Agent,

a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.

7. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
8. The dividend as recommended by the Board of Directors, if declared at the Annual General Meeting will be paid within a period of 30 days to those members whose name appear as:
- Beneficial Owners as on 21st September, 2018 on the lists of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited; and
 - Members in the Register of Members of the Company after giving effect to valid share transfer in the physical form lodged with the Company on or before 21st September, 2018.
9. Members holding shares in electronic form may note that bank particulars registered against their respective registered accounts will be used by the Company for the payment of dividend. The Company or its Registrar and Share Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
10. Recent circular requires submission of Aadhar/PAN number by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit Aadhar card/PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their Aadhar card/PAN details to the Company/Registrar and Share Transfer Agents (Aarthi Consultants Pvt Limited)
11. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.

12. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to Aarthi Consultants Pvt Limited., Share Transfer Agents of the Company for consolidation into a single folio
13. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
14. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission / transposition, Demat/Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
15. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the Company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
16. Electronic copy of the Annual Report for 2017-2018 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2017-2018 is

being sent in the permitted mode.

17. Members may also note that the Notice of the 28th Annual General Meeting and the Annual Report for 2017-2018 will also be available on the Company's website www.vijaytextiles.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: info@vijaytextiles.in.

.Voting through Electronic Means (E-Voting Facility)

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the rules there under and Regulation 44 of SEBI LODR Regulations, the Company is offering e-voting facility to its Members in respect of the business to be transacted at the 28th Annual General Meeting scheduled to be held on Friday, the 28th day of September, 2018 J.S.Krishan Murthy Hall, The Federation of Telangana and Andhra Pradesh Chamber of Commerce & Industry, The Federation House, 11-9-84, Red Hills, Hyderabad- 500 004, Telangana.

The Company has engaged the services of Central Depository Services (India) Limited. ("CDSL") as the Authorized Agency to provide e-voting facilities. The e-voting particulars are set out below:

EVENT (e-voting event number)	USER ID	PASSWORD/ PIN

The e-voting facility will be available during the following voting period:

Commencement of e-voting: From 25.09.2018 at 9. 00 A.M.

End of e-voting: Up to 27.09.2018 at 5. 00 P.M.

The cut-off date (i.e. the record date) for the purpose of e-voting is 21.09.2018

Please read the procedure and instructions for e-voting given below before exercising the vote.

This communication forms an integral part of the Notice dated 13.08.2018 for the AGM scheduled to be held on 28.09.2018 which is enclosed herewith and is also made available on the website of the Company www.vijaytextiles.in. Attention is invited to the statement on the accompanying Notice that the Company is pleased to provide e-voting facility through CDSL for all shareholders of the Company to enable them to cast their votes electronically on the Resolution mentioned in the Notice of the 28th Annual General Meeting of the Company dated 13.08.2018

Procedure and instructions for e-voting

(i) The E-voting period begins on 25.09.2018 (9.00 A.M) and ends on 27.09.2018 September, 2018 (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 21.09.2018 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 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 proportion to the shares held by them in the paid equity share capital of the Company as on the cut-off date i.e. 21st, September 2018.
- (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.

19. In terms of Companies Act, the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, in the year 2018-19, the Company would be transferring the unclaimed or unpaid Final Dividend for the year 2010-11 to the IEPF within a period of thirty days of such amounts becoming due. Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF.

21. The Register of Directors’ and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.

22. Relevant documents referred to in the accompanying Notice, as well as Annual

NOTICE (CONTD.)



TEXTILES LIMITED

Reports and Annual Accounts of the Subsidiaries Companies whose Annual Accounts have been consolidated with the Company are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. up to the date of Annual General Meeting.

23. SEBI has notified vide Notification No. SEBI/LAD-NRO/GN/2018/24 that securities of the listed companies can be transferred only in dematerialized form. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.
24. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support

this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

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

Sd/-
S Nagarajan
Company Secretary

Place: Secunderabad
Date: 13.08.2018

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 2018-2019:**

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, 2019 to conduct the audit of cost records and fixed their remuneration at ₹35000/- (Rupees Thirty Five Thousand Only) plus out of pocket expenses and applicable taxes etc.

As per the provisions of Section 148 of the Act read with the Companies Act, 2013 and as per the Rule 14 of Companies (Audit and Auditors) Rules, 2014, the 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 appointment and ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2019.

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:**CHANGE IN NOMENCLATURE OF 0.10% NON CONVERTIBLE CUMULATIVE REDEEMABLE PREFERENCE SHARES INTO 0.10% CONVERTIBLE CUMULATIVE PREFERENCE SHARES AND CHANGE OR AUTHORISED SHARE CAPITAL :**

As on date, Mr. Vijay Kumar Gupta, Mrs. Shashikala Gupta (Promoters) and Mr. Susheel Kumar Gupta, (Director) of the Company hold 52,76,000 0.10% Non-Convertible Cumulative Redeemable Preference Shares of ₹100/- each which now are proposed, with the consent of the holders, to be changed into 0.10% 52,76,000 Convertible Cumulative Preference Shares of ₹100/- each. At present, the Company does not have surplus funds to redeem the Preference Shares allotted to the above said Promoters and Director. Further paying them from the Company's working capital will have adverse effect on the performance of the Company. The above said Promoters and Director have consented to the request of the Company for change of nomenclature of 0.10% Non-Convertible Cumulative Redeemable Preference Shares of ₹100/- each. Therefore, it is necessitated to change the nomenclature of Authorized, Issued, Subscribed and Paid up Capital pertaining to the existing "0.10% Non-Convertible Cumulative Redeemable Preference Shares of ₹100/- each" into "0.10% Convertible Cumulative Preference Shares of ₹100/- each", which requires Shareholders' approval.

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

Except Mr. Vijay Kumar Gupta and Mr. Susheel Kumar Gupta, none of the other Directors, key managerial personnel or their relatives is concerned or interested, financial or otherwise, in the above said Resolution.

ITEM NO 6:**INCREASE OF AUTHORISED SHARE CAPITAL AND AMENDMENT OF MEMORANDUM OF ASSOCIATION OF THE COMPANY:**

The present Authorised Share Capital of the Company is ₹73,00,00,000/- (Rupees Seventy Three Crores Only) divided into 2,00,00,000 (Two Crores Only) Equity Shares of ₹10/- (Rupees Ten Only) each and 53,00,000 0.10% Convertible Cumulative Preference Shares of ₹100/- each. The company is proposing further issue of shares. Considering the allotment in future, the Board has approved, subject to the Shareholders' approval, an increase in the Authorised Share Capital to ₹73,30,00,000/- (Rupees Seventy Three Crores And Thirty Lakhs Only) divided into 2,03,00,000 (Two Crores and Three Lakhs Only) Equity Shares of ₹10/- (Rupees Ten Only) and 53,00,000 0.10% Convertible Cumulative Preference Shares of ₹100/- each.

Pursuant to the provisions of Sections 13 and 61 of the Companies Act, 2013, an increase in the Authorised Share Capital of the Company and consequent amendments in the Capital Clause of the Memorandum of Association of the Company requires approval of the Members. Approval of the Members is, therefore, sought in terms of the said Sections.

Your Directors recommend the above Special Resolution for your approval.

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.

ITEM NO 7:**ISSUE AND ALLOTMENT OF CONVERTIBLE WARRANTS TO THE PROMOTERS DIRECTOR (ON CONVERSION OF 0.10% CONVERTIBLE CUMULATIVE PREFERENCE SHARES) AND OTHERS ON PREFERENTIAL BASIS:**

The Special Resolution as mentioned above proposes to authorize the Board of Directors to issue and allot up to 71,60,000 Convertible Warrants in such manner and on such terms of conditions as prescribed under SEBI (ICDR) Regulations and in compliance with Sections 42 and 62 and other applicable provisions of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014.

Mr. Vijay Kumar Gupta, Mrs. Shashikala Gupta (Promoters) and Mr. Susheel Kumar Gupta (Director) of the Company hold 52,76,000 -0.10% Convertible Cumulative Preference Shares of ₹100/- each and the same has been certified by the Statutory Auditors of the Company. As discussed above, all the Preference Shareholders as mentioned above have consented to the request of the Company for change of nomenclature of 52,76,000 - 0.10% Non-Convertible Cumulative Redeemable Preference Shares of ₹100/- each to 52,76,000 0.10% Convertible Cumulative Preference Shares of ₹100/- each apart from agreeing to convert the same into Convertible Warrants which eventually be converted into equity Shares at such price, terms and conditions as may be decided as per SEBI (ICDR) Regulations, 2009. It is further submitted that originally the Redeemable Preference Shares issued by the Company are in nature of Non-Convertible and the now the same is re-designated as Convertible Preference Shares. Thus, the Board decided to convert the above said 0.10% Convertible Cumulative Preference Shares of ₹100/- each into Convertible Warrants to an extent that can be converted by issue of 66,60,000 Convertible Warrants in one or more tranches. The Board has also decided to issue 5,00,000 Warrants to the others in public category also.

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

(I) Objective of the Issue through preferential Allotment:

To redeem or retire the existing 0.10% Convertible Cumulative Preference Shares of ₹100/- each by converting them into Warrants which in turn will be converted into Equity Shares within 18 months from the date of allotment of Warrants as per SEBI (ICDR) Regulations, 2009. The amount to be received from the allottee of the public category will be used for general corporate purpose including to meet the Working Capital requirements.

(II) Pricing of the Issue and Relevant Date:

The price of the Convertible Warrants proposed to be issued will be determined in accordance with the preferential issue guidelines given in SEBI (ICDR) Regulations and subsequent amendments thereto which is based on the relevant date i.e., 29.08.2018, which is thirty days prior to the date of Annual General Meeting (28.09.2018).

A Certificate will be obtained from the Statutory Auditor of the Company / Practicing Company Secretary confirming the minimum price for the preferential issue is as per Preferential Issue Regulations in chapter VII of SEBI (ICDR) Regulations, 2009 and showing the calculation thereof and the same will be made available for inspection at the registered office of the Company.

(III) The proposal of the promoters, or their associates and relatives, Directors/key managerial persons of the issuer to subscribe to the offer:

The proposed allottees would fall under Promoter's category and Public category as mentioned under point No (IV). The promoters proposes to subscribe for 66,60,000 Convertible Warrants whereas 5,00,000 Warrants will be subscribed in the public category. The requirement of issue of securities on preferential basis is necessitated to fulfil the objectives as mentioned in point (I) above.

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

The proposed allottees as furnished in the table are the ultimate beneficial owners.

Sl. No	Identity of Proposed Preferential Allottees	Convertible Warrants proposed to be allotted
A	Promoters :	
1	Vijay Kumar Gupta	37,00,000
2	Susheel Kumar Gupta	22,60,000
3	Shashikala Gupta	7,00,000
B	Public :	
4	Muppidi Srikanth Reddy	5,00,000
	Total	71,60,000

Pre and post issue shareholding of proposed allottees:

Proposed Allottee Pre issue holding	Pre issuing Holding		Convertible Warrants proposed to be allotted Post Issue holding	Post issue holding*		
	% of Shares			% of Shares		
Promoters:						
1	Vijay Kumar Gupta	44,98,016	34.27	37,00,000	81,98,016	40.41
2	Susheel Kumar Gupta	28,04,699	21.37	22,60,000	50,64,699	24.97
3	Shashikala Gupta	1,81,500	1.38	7,00,000	8,81,500	4.35
	Public :					
4	Muppidi Srikanth Reddy	-	-	5,00,000	5,00,000	2.46

* assuming all Warrants are converted into equity Shares within 18 months from the date of allotment of Warrants.

V. Shareholding pattern of the Company before and after preferential issue:

Sl. No	Category of Shareholders	Pre issue holding details		Post Issue holding details	
		No. of Shares	% of Shares	No of Shares	% of Shares
A)	Promoter and Promoter Group				
	a) Individuals	85,05,045	64.80	1,51,65,045	74.76
	b) Body Corporates	-	-		
	Total (A)	85,05,045	64.80	1,51,65,045	74.76
B)	Public Shareholding				
I	Institutions	-	-	-	-
	Financial Institutions/Banks, Mutual Funds/ Government Institutions	-	-	-	-
II	Non Institutions				
	a) Individuals	41,63,509	31.72	46,63,509	22.99
	b) Body corporates	3,67,991	2.80	3,67,991	1.81
	c) NRIs	13,603	0.10	13,603	0.07
	d) Clearing Members	34,177	0.27	34,177	0.17
	e) IEPF	40,675	0.31	40,675	0.20
	Total (B)	46,19,955	35.20	51,19,955	25.24
	Total (A+B)	1,31,25,000	100.00	2,02,85,000	100.00

VI The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price: Nil

VII The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer; Not Applicable

VIII Proposed time within which the allotment shall be completed:

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

IX Approvals:

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

X SEBI Takeover code:

In the present case the proposed allottees would not attract SEBI Takeover Code and therefore is not under obligation to give open offer to the public except making certain disclosures to Stock Exchange.

XI Holding of Shares in demat form, non-disposal of Shares by the proposed allottees and lock-in period of Shares:

The entire shareholding of the proposed allottees in the Company is in dematerialized form. The entire preferential allotment shareholding of such allottees shall be under lock-in from the relevant date up to a period of six months from the date of trading approval from all the stock exchanges where the securities of the Company are listed. The proposed allottees have not sold any share of the Company during the six months period prior to the relevant date. The proposed allottees have Permanent Account Number.

XII Lock-in Period:

The resultant equity Shares shall be subject to 'lock-in' for such a period as the case may be from the date of trading approval from all the stock exchange/s where the securities of the Company are listed as per Clause 78 of the SEBI (ICDR) Regulations, 2009.

XIII Auditor Certificate:

Certificate from the Statutory Auditors confirming that the proposed issue of Convertible Warrants is being made in accordance with the SEBI (ICDR) Regulations, 2009 will be obtained and the same will be made available for inspection at the Registered Office of the Company on any working day till the date of annual general meeting.

XIV Control:

As a result of the proposed preferential allotment of Convertible Warrants, neither there will be change in the composition of the Board of Directors and nor change in control of the Company.

XV Undertakings:

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

- i) It shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.
- ii) If the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continued to be locked in till the time such amount is paid by the allottees.

XVI Compliances:

The Company has complied with the requirement of rule 19A of the Securities Contracts (Regulation) Rules, 1957, maintaining a minimum of 25% of the paid up capital in the hands of the public.

XVII Disclosure regarding wilful defaulter:

Neither the issuer nor its promoters and Directors are wilful defaulters.

XVIII Approval under the Companies Act:

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

Accordingly, the consent of the Shareholders is being sought pursuant to the provisions of Section 62(1) of the Companies Act, 2013 and all other applicable provisions, SEBI Guidelines or regulations and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for authorizing the Board to offer, issue and allot Convertible Warrants as stated in the Resolution, which would result in a further issuance of securities of the Company to the promoters on a preferential allotment basis, in such form, manner and upon such terms and conditions as the Board may in its absolute discretion deem fit.

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

Except Mr. Vijay Kumar Gupta, Mr. Susheel Kumar Gupta and Muppidi Srikanth Reddy, none of the other Directors, key managerial personnel or their relatives is concerned or interested, financial or otherwise, in the above said resolution

By Order of the Board
For Vijay Textiles Limited

Place: Secunderabad
Date: 13.08.2018

Sd/-
S. Nagarajan
Company Secretary

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

Dear Members,

Your Directors have pleasure in presenting the Directors' Report and the Audited Statement of Accounts of the Company for the Financial Year ended 31st March 2018.

FINANCIAL RESULTS

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

(₹ In Lakhs)

Particulars	2017-18	2016-17
Total Revenue from operations	11171.25	11949.50
Total Expenses	10499.74	11526.24
Profit Before Tax	671.52	423.26
Less: Taxation		
a) Current Tax	22.90	-
b) Deferred Tax	(153.95)	(33.77)
Profit / (Loss) After Tax	802.57	457.03
Other Comprehensive Income	(13.93)	(11.16)
Total Comprehensive Income	788.64	(445.87)
Earning per Equity Share- Basic & Diluted	6.01	3.40

OPERATIONS

Your Company has shown good results during the year under review and achieved sales and other income of ₹11171.25 Lakhs and net profit of ₹802.57 Lakhs as compared to sales and other income of ₹11949.50 Lakhs and net profit of ₹457.03 Lakhs achieved in the previous financial year.

PERFORMANCE AND FUTURE OUTLOOK

Your Company has performed reasonably better with increase in 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 embroidery products, which have a very good and consistent demand in the contemporary markets.. 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 Directors are pleased to recommend a Dividend of ₹1.00 paise per share on the Paid up Equity Share Capital of the Company in respect of the financial year 2017-2018. The total outgo on account of dividend, inclusive of dividend tax stands at ₹1,58,22,883/-

The Board has also 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 2017-2018.

UNPAID / UNCLAIMED DIVIDEND

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

During the year dividend amounting to ₹2,12,566/- that had not been claimed by the Shareholders for the year ended 31st March, 2010 was 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.

Further the dividend amount not claimed by the Shareholders for the year ended 31st March, 2011 will be transferred to the credit of Investor Education and Protection Fund as required under Section 124 read with Section 125 of the Companies Act 2013 on 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 Ministry of Corporate Affairs vide their Notification Dated 13.10.2017 amended the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 specifying that the period of 7 years provided under Section 124(5) has been completed/ are been completed during the period 07.09.2016 to 31.10.2017, the due date of transfer of such shares shall be deemed to be 31.10.2017.

Accordingly the Company has transferred the shares to IEPF account pertaining to the year 2008-2009 – 29,187 Shares and 2009-2010 – 11,488 Shares totalling to 40,675 Shares.

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 Five (5) times during the financial year from 1st April 2017 to 31st March 2018. The dates on which the meetings were held are 22.05.2017, 24.07.2017 28.08.2017, 13.12.2017 and 14.02.2018.

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

No Directors or Key Managerial Personnel's have resigned during the year.

In accordance read with Section 152 of the Act and read with Article III of the Company's Articles of

Association, Shri. Vijay Kumar Gupta, Whole time Director and Chairman & Managing Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

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

Name of the Director	Shri Vijay Kumar Gupta
Date of Birth	03.02.1950
Qualification	Degree in Commerce
Expertise in specific functional areas	Joined with his father in textile business at a very young age and has now got a core experience of around 54 years in the industry. He has a strong business acumen and is the mainstay of the Company in bringing it to its present stature
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	Vijay Racing and Farms Pvt Limited,
Shareholding of non-executive directors.	--
No. of Shares held in the Company	44,98,016 Equity Shares of the Company and 10,20,830 Equity Shares as HUF
Inter se relationship with any Director	Shri Susheel Kumar Gupta, Executive Director is son of Shri Vijay Kumar Gupta.

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 DIRECTOR'S APPOINTMENT AND REMUNERATION AND OTHER DETAILS:

The assessment and appointment of Members to the Board is based on a combination of criterion that includes ethics, personal and professional stature,

domain expertise, gender diversity and specific qualification required for the position. The potential Board Member is also assessed on the basis of independence criteria defined in Section 149(6) of the Companies Act, 2013, 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.

NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:

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

BOARD EVALUATION:

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees. The Board's functioning was evaluated on various aspects, including inter alia degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Evaluation of the Committees performance was based on the criteria like composition, its terms of the reference and effectiveness of committee meetings, etc., Individual Director's performance evaluation is based on their preparedness on the issues to be discussed, meaningful and constructive discussions and their contribution to the Board and Committee meetings. The Chairperson was evaluated mainly on key aspects of his role. These performance exercises were conducted seeking inputs from all the Directors / Committee Members wherever applicable.

The evaluation procedure followed by the company is as mentioned below:

- i) Feedback is sought from each Director about their views on the performance of the Board, covering various criteria such as degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, quality of relationship between the Board and the Management and efficacy of communication with external stakeholders. Feedback was also taken from every Director on his assessment of the performance of each of the other Directors.
- ii) The Nomination and Remuneration Committee (NRC) then discusses the above feedback received from all the Directors.
- iii) Based on the inputs received, the Chairman of the NRC also makes a presentation to the Independent Directors at their meeting, summarising the inputs received from the Directors as regards Board performance as a whole and of the Chairman. The performance of the Non-Independent Non-Executive Directors and Board Chairman is also reviewed by them.
- iv) Post the meeting of the Independent Directors, their collective feedback on the performance of the Board (as a whole) is discussed by the Chairman of the NRC with the Chairman of the Board. It is also presented to the Board and a plan for improvement is agreed upon and is pursued.
- v) Every statutorily mandated Committee of the Board conducts a self-assessment of its performance and these assessments are presented to the Board for consideration. Areas on which the Committees of the Board are assessed include degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.
- vi) Feedback is provided to the Directors, as appropriate. Significant highlights, learning and action points arising out of the evaluation are presented to the Board and action plans are drawn up. During the year under report, the recommendations made in the previous year were satisfactorily implemented.

The peer rating on certain parameters, positive attributes and improvement areas for each Board member are also provided to them in a confidential manner. The feedback obtained from the interventions is discussed in detail and, where required, independent and collective action points for improvement are put in place.

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.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the annual accounts on a going concern basis;
5. That the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
6. That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

EXTRACT OF ANNUAL RETURN:

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in MGT 9 is a part of this Annual Report in enclosed as Annexure-I.

STATUTORY AUDITORS:

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

However, pursuant to notification from the MCA dated 07.05.2018, ratification of appointment of Statutory Auditors at every Annual General Meeting has been dispensed with.

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

There have been no frauds reported by the Auditors under Section 143(12).

INTERNAL AUDITORS:

Pursuant to the provisions of Section 138 of the Companies read with rules made there under, the Board has appointed M/s. Sankaran & Krishnan, Chartered Accountants as Internal Auditors of the Company for the financial year 2018-2019.

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, 2019, subject to ratification by Shareholders of the Company.

SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 134(3) (f) & Section 204 of the Companies Act, 2013, the Board has appointed M/s. S.S. Reddy & Associates, Practising Company Secretaries to undertake Secretarial Audit of the Company. The report of the Secretarial Auditor is enclosed herewith vide Annexure-II of this Report.

QUALIFICATIONS IN AUDIT REPORTS:

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made

(a) Statutory Auditors Report:

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2018 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges and growth in the market expected in the coming years.

(b) Secretarial Audit Report:

The Board has duly reviewed the Secretarial Audit Report for the year ended March 31, 2018 on the Compliances according to the provisions of Section 204 of the Companies Act 2013, and the same does not have any reservation, qualifications or adverse remarks.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not given loans, guarantees or made any investments during the year under review.

RELATED PARTY TRANSACTIONS:

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

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

None of the Directors have any pecuniary relationship or transactions with the Company, except payments made to them in the form of remuneration, rent,

sitting fees and interest on unsecured loans.

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

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

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

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

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE 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.

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.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMPOSITION OF CSR COMMITTEE AND CONTENTS OF CSR POLICY):

Since the Company is having a net profit of ₹802.57 Lakhs i.e. more than 5.00 Crores during the financial year, Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is applicable to the Company. Hence the Company has adopted the Corporate Social Responsibility Policy in the year 2018-19 at the Board Meeting held on 13/08/2018

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

Composition

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

Brief description of Terms of Reference:

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

- To observe corporate governance practices at all levels and to suggest remedial measures wherever necessary.

To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or appropriate for performance of its duties.

PARTICULARS OF DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Sec 73, 74 & 76 of the Companies Act, 2013 read with the Rule 8(v) of Companies (Accounts) Rules 2014, during the financial year under review. Further, there are no deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

The Company has accepted unsecured loans under the Chapter V of the Companies Act, 2013 from the Promoter Directors during the financial year 2017-2018 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 & MATERIAL ORDERS PASSED BY COURTS / REGULATORS / TRIBUNALS:

During the period under review there were no significant and material orders passed by the regulators or Tribunals impacting the going concern status and the company's operations in future. However, Labour Court III, Hyderabad has passed an award vide G.O. Rt. No.223 dated 23 March 2017 in I.D. No.17 of 2010, in favour of Balaji Vishnu Patil ex-employee working under job worker at the Company's Rajapur Unit and directed the Company to pay an amount of ₹2,50,000/- towards retrenchment compensation in lieu of the reinstatement to Balaji Vishnu Patil. The Company has preferred an appeal before AP & Telangana High Court, Hyderabad bearing reference number WPMP No.31873 of 2017 in WP No.25695 of 2017 against the said award. High Court has granted interim stay vide its order dated 02 August 2017 on the condition the Company depositing one third of the awarded amount and the Company has complied with the condition.

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 statutes, accounting policies, approval procedures and to ensure optimum use of available resources. .

The Company has its own corporate internal audit function to monitor and assess the adequacy and effectiveness of the Internal Financial Controls and system across all key processes covering various locations. Deviations are reviewed periodically and due compliance ensured. The Internal Audit findings are discussed and suitable corrective actions are

taken as per the directions of Audit Committee on on-going basis to improve efficiency in operations. The Audit Committee reviews adequacy and effectiveness of the Company's internal financial control systems and monitors the implementation of audit recommendations.

INSURANCE:

The properties and assets of your Company are adequately insured.

CREDIT & GUARANTEE FACILITIES:

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

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

The Company has implemented all of its major stipulations as applicable to the Company. As stipulated under Regulation 34 read with schedule V of SEBI (LODR) Regulations, 2015, a report on Corporate Governance duly audited is appended as Annexure 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 WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. During the year 2017-2018, 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.

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

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

INDIAN ACCOUNTING STANDARDS (IND AS)

The Company has adopted Indian Accounting Standards (Ind AS) from 1st April 2017 and the financial results have been prepared in accordance with the recognition and measurement principles laid down in the said standards. The date of transition to Ind AS is 1st April 2016.

Further consequent upon introduction of Goods and Services Tax (GST) w.e.f. 1st July 2017 revenue for the

period from 1st July 2017 to 31st March 2018 is net of GST in compliance with Indian Accounting Standard (Ind AS) 115-“Revenue”.

SECRETARIAL STANDARDS

The Company is in compliance with the applicable secretarial standards.

EVENT BASED DISCLOSURES

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

1. Issue of sweat equity share: NA
2. Issue of shares with differential rights: NA
3. Issue of shares under employee's stock option scheme: NA
4. Disclosure on purchase by company or giving of loans by it for purchase of its shares: NA
5. Buy back shares: NA
6. Disclosure about revision: NA
7. Preferential Allotment of Shares: NA

CEO/ CFO Certification

The Managing Director cum CEO and CFO certification of the financial statements for the year 2017-18 is annexed in this Annual Report.

ACKNOWLEDGEMENTS:

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

For and on behalf of the Board
Vijay Textiles Limited

-Sd-

Vijay Kumar Gupta
Chairman & Managing Director
DIN:01050958

Place: Secunderabad
Date: 13.08.2018

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 2017-2018 as per Regulation 17(5) read with Regulation 34 (3) Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Vijay Textiles Limited is committed for conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a “Code of Ethics and Business Conduct” which is applicable to all Director, officers and employees.

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2017-2018.

For and on behalf of the Board
Vijay Textiles Limited

Place: Secunderabad
Date: 13.08.2018

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

ANNEXURE -I

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

as on the financial year ended on 31st March, 2018

[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									
(1) Indian									
a) Individual / HUIF	85,05,045	-	85,05,045	64.80	85,05,045	-	85,05,045	64.80	--
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt (s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp	--	--	--	--	--	--	--	--	--
e) Banks / FI's	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
Sub Total (A) (1)	85,05,045	-	85,05,045	64.80	85,05,045	-	85,05,045	64.80	--
(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)	85,05,045	-	85,05,045	64.80	85,05,045	-	85,05,045	64.80	--

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. 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) (I)									
2. Non Institutions									
a) Bodies Corporate									
i) Indian	3,17,803	--	3,17,803	2.42	3,76,319	--	3,76,319	2.87	0.45
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual Shareholders holding nominal share capital up to ₹1 Lakh	21,79,770	20,896	22,00,666	16.77	19,53,892	14,093	19,67,985	14.99	(1.78)

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	18,69,182	--	18,69,182	14.24	20,25,706	--	20,25,706	15.43	1.19
c) Others	2,30,504	1,800	2,32,304	1.77	2,49,945	--	2,49,945	1.91	0.14
Sub Total (B) (2)	45,97,259	22,696	46,19,955	35.20	46,05,862	14,093	46,19,955	35.20	--
Total Public Shareholding (B) = (B)(1) + (B) (2)	45,97,259	22,696	46,19,955	35.20	46,05,862	14,093	46,19,955	35.20	--
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	--	--	--	--	--	--	--	--	--
GRAND TOTAL (A+B+C)	1,31,02,304	22,696	1,31,25,000	100	1,31,10,907	14,093	1,31,25,000	100	--

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year (as on 01-04-2017)			Share holding at the end of the year (as on 31-03-2018)			% 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	44,98,016	34.27	77.77	44,98,016	34.27	77.77	--
2	Susheel Kumar Gupta	28,04,699	21.37	77.72	28,04,699	21.37	77.72	--
3	Shashi Kala Gupta	1,81,500	1.38	100	1,81,500	1.38	100	--
4	Vijay Kumar Gupta (HUF)	10,20,830	7.78	88.93	10,20,830	7.78	88.93	--
	Total	85,05,045	64.80		85,05,045	64.80		--

(iii) Change in Promoters' Shareholding: NIL

Sl. No.	Particulars	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	85,05,045	64.80%	85,05,045	64.80%
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/bonus/sweat equity etc.):	NA	NA	NA	NA
3.	At the End of the year	85,05,045	64.80%	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.	Zaki Abbas Nasser	--	--	19-Jan-18	1,59,750	Purchase	1,59,750	1.23
				26-Jan-18	1,20,250	Purchase	2,80,000	2.13
				09-Feb-18	70,000	Purchase	3,50,000	2.67
				16-Feb-18	10,000	Purchase	3,60,000	2.74
				23-Feb-18	10,000	Purchase	3,70,000	2.81
				02-Mar-18	10,000	Purchase	3,80,000	2.89
2.	Kaveri Seed Company Limited	1,99,425		-	-	-	1,99,425	1.52
3.	Nitesh Vijay Vargiya	1,88,445		-	-	-	1,88,445	1.44
				14-Jul-17	2,279	Purchase	1,90,724	1.45
				19-Jan-18	10,000	Sale	1,80,724	1.38
4.	Sukanya Reddy Muppidi	1,80,000		-	-	-	1,80,000	1.37

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
5.	PCS Securities Limited	1,57,258		-	-	-	1,57,258	1.20
				28-Apr-17	100	Purchase	1,57,358	1.20
				05-May-17	100	Sale	1,57,258	1.20
				12-May-17	400	Purchase	1,57,658	1.20
				19-May-17	110	Sale	1,57,548	1.20
				26-May-17	2,900	Purchase	1,60,448	1.22
				02-June-17	3,100	Sale	1,57,348	1.20
				09-June-17	12	Purchase	1,57,360	1.20
				16-June-17	13	Purchase	1,57,373	1.20
				23-June-17	780	Purchase	1,58,153	1.20
				30-June-17	14,770	Purchase	1,72,923	1.32
				07-Jul-17	14,950	Sale	1,57,973	1.20
				14-Jul-17	550	Purchase	1,58,523	1.20
				21-Jul-17	5,128	Sale	1,53,395	1.17
				28-Jul-17	2,200	Purchase	1,55,595	1.19
				04-Aug-17	1,389	Purchase	1,56,984	1.20
				11-Aug-17	1,000	Purchase	1,57,984	1.20
				18-Aug-17	6,150	Purchase	1,64,134	1.25
				25-Aug-17	1,41,359	Sale	22,775	0.17
				01-Sep-17	100	Sale	22,675	0.17
				08-Sep-17	1,34,209	Purchase	1,56,884	1.20
				22-Sep-17	100	Purchase	1,56,984	1.20
				03-Nov-17	329	Purchase	1,57,313	1.20
				10-Nov-17	500	Purchase	1,57,813	1.20
				17-Nov-17	498	Sale	1,57,315	1.20
				24-Nov-17	4,530	Purchase	1,61,845	1.23
				01-Dec-17	4,507	Sale	1,57,338	1.20

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
				05-Jan-18	4,100	Purchase	1,61,388	1.20
				12-Jan-18	3,900	Sale	1,57,488	1.22
				19-Jan-18	12,465	Purchase	1,69,953	1.29
				26-Jan-18	12,400	Sale	1,57,553	1.20
				02-Feb-18	1,102	Purchase	1,58,655	1.20
				09-Feb-18	1,342	Sale	1,57,313	1.20
				16-Feb-18	1,000	Purchase	1,58,313	1.20
				23-Feb-18	920	Sale	1,57,393	1.20
				02-Mar-18	180	Sale	1,57,213	1.20
6	Santosh Sitaram Goenka	30723		-	-	-	30,723	0.23
				14-Apr-17	4,297	Purchase	35,020	0.27
				22-Sept-17	23,875	Purchase	58,895	0.45
				30-Sept-17	18,379	Purchase	77,274	0.59
				20-Oct-17	4,622	Purchase	81,896	0.62
				03-Nov-17	10,129	Purchase	92,025	0.70
				17-Nov-17	5,841	Purchase	97,866	0.75
				15-Dec-17	2,789	Purchase	1,00,655	0.77
				30-Dec-17	11,197	Purchase	1,11,852	0.85
				05-Jan-18	2,877	Purchase	1,14,729	0.87
				12-Jan-18	3,411	Purchase	1,18,140	0.90
7	Neeraj Agarwal	117627		--	--	--	1,17,627	0.90
				25-Aug-17	17,627	Sale	1,00,000	0.76
8	Anita Agarwal	54575		--	--	--	54,575	0.42
				14-Jul-17	21,000	Purchase	75,575	0.58
				21-Jul-17	9,459	Purchase	85,034	0.65
				03-Nov-17	304	Sale	84,730	0.65

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
9.	R B Jaju Securities India Pvt Ltd	55		--	--	--	55	0.00
				19-May-17	1,000	Purchase	1,055	0.00
				14-Jul-17	39,000	Purchase	40,055	0.31
				18-Aug-17	55	Sale	40,000	0.30
				25-Aug-17	10,000	Purchase	50,000	0.38
				01-Sep-17	5,000	Purchase	55,000	0.42
				08-Sep-17	1,000	Purchase	56,000	0.43
				15-Sep-17	1,000	Sale	55,000	0.42
				23-Feb-18	1,324	Sale	53,676	0.41
10	Sundeep J Shah	50708		--	--	--	50,708	0.39

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the 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
A	Directors				--			
1	Vijay Kumar Gupta	44,98,016	34.27		---		44,98,016	34.27
2	Susheel Kumar Gupta	28,04,699	21.37		--		28,04,699	21.37
3	R.Malhotra	-	-		--		-	-
4	M.Srikanth Reddy	-	-		--		-	-
5	CA. P.Vikram	-	-		--		-	-
6	CA Alka Zanwar	-	-		--		-	-
B.	Key Managerial Personnel				--			
1.	S.Nagarajan	1,200	0.01		--		1,200	0.01

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,40,86,71,958	44,76,65,000	-	1,85,63,36,958
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)	1,41,95,68,612	48,15,74,996	-	1,90,11,43,608
Change in Indebtedness during the financial year				
Addition	28,75,557	30,27,02,717	-	30,55,78,274
Reduction	20,24,05,953	-	-	20,24,05,953
Net Change	(19,95,30,396)	30,27,02,717	-	10,31,72,321
Indebtedness at the end of the financial year				
i) Principal Amount	1,21,50,48,427	73,97,00,000	-	1,95,47,48,427
ii) Interest due but not paid	49,89,789	4,45,77,713	-	4,95,67,502
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,22,00,38,216	78,42,77,713	-	2,00,43,15,929

V. 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.	42,00,000	42,00,000	19,20,000	1,03,20,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961.	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961.	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	as % of profit	-	-	-	-
	Others	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	42,00,000	42,00,000	19,20,000	1,03,20,000
	Ceiling as per the Act				

B. Remuneration to other Directors:

SL No	Particulars of Remuneration	Name of Directors			Total Amount (₹)
		M.Srikanth Reddy	CA.P.Vikram	CA.Alka Zanwar	
1	Independent Directors				
	Fee for attending Board/Committee Meetings	70,000	55,000	70,000	1,95,000
	Commission	-	-	-	-
	Others	-	-	-	-
	Total (1)				
2	Other Non-Executive Directors				
	Fee for attending Board/Committee Meetings	-	-	-	-
	Commission	-	-	-	-
	Others	-	-	-	-
	Total (2)	-	-	-	-
	Total (B) = (1+2)	70,000	55,000	70,000	1,95,000
	Total Managerial Remuneration	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	NA	NA	NA	NA

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

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (S.Nagarajan)	CFO	Total (₹)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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. in respect of remuneration of MD, WTD etc.	19,20,000
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify.....	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	19,20,000	-	19,20,000

VI. 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: 13.08.2018

FORM MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018**

(Pursuant to section 204(1) of the Companies Act, 2013
and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

To,
The Members
Vijay Textiles Limited

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

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2017 and ended 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made herein after:

- I. We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st of March, 2018 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment and External Commercial Borrowings;
2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') is furnished hereunder for the financial year 2017-18:-
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Complied with yearly and event based disclosures.
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Insider Trading Regulations; The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e. www.vijaytextiles.in
 - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not Applicable as the company has not issued any shares during the year under review.

- iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not Applicable as the Company has not issued any Employee Stock Options during the year under review.
- v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable as the Company has not issued any debt securities during the year under review.
- vi. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However, the company has Aarthi Consultants Private Limited as its Share Transfer Agent.
- vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.
- viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.
- ix. Other applicable laws include the following:
 - a) Factories Act, 1948
 - b) Payment Of Wages Act, 1936, and rules made there under,
 - c) The Minimum Wages Act, 1948, and rules made there under,
 - d) Employees' State Insurance Act, 1948, and rules made there under,
 - e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,
 - f) The Payment of Bonus Act, 1965, and rules made there under,
 - g) Payment of Gratuity Act, 1972, and rules made there under,
 - h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
 - i) Industrial Disputes Act, 1947
 - j) The Air (Prevention and Control of Pollution) Act, 1981
 - k) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
 - l) Textiles Committee Act, 1963
 - m) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable.

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

- a) During the year the Company has conducted 5 Meetings of the Board of Directors, 4 Meetings of the Audit Committee, 4 Meetings of Stakeholder Relationship Committee and 1 Meeting of Independent Directors. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company secretaries of India.
- b) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that
 - (i) the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
 - External Commercial Borrowings were not attracted to the Company under the financial year under report;
 - Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
 - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
 - (ii) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

We further report that:

- The Company has a CFO, Mr. Rakesh Malhotra and a Company Secretary, Mr. S. Nagarajan.
- The Company has internal auditors namely M/s. Sankaran & Krishnan, Chartered Accountants, Hyderabad.
- The website of the Company contains policies as specified by SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the provisions of Companies Act, 2013.
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.
- Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

- We, further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For S.S. Reddy & Associates

Sd/-

S. Sarveswar Reddy
Proprietor
C.P. No: 7478

Place: Hyderabad
Date : 13.08.2018

Annexure A

To
The Members of
Vijay Textiles Limited

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

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

For S.S. Reddy & Associates

Sd/-

S.Sarveswar Reddy
Proprietor
C.P. No: 7478

Place: Hyderabad
Date: 13.08.2018

ANNEXURE -III

**ANNEXURE TO DIRECTORS' REPORT
FORM A
[Forming part of Annexure (I)]**

Disclosure of Particulars with respect to conservation of Energy:

I	Energy Conservation:	31.03.2018	31.03.2017
A	1. Power & Fuel Consumption		
	Electricity:		
	a) Purchased:		
	Units	24,18,927	26,26,564
	Total amount (₹)	1,97,42,512	2,06,06,805
		8.16	7.85
	b) Own Generation:		
	Through Diesel Generator		
	Units	Nil	1,904
	Units per ltr. of Diesel oil	Nil	3.20
	Cost/Unit (₹)	Nil	18.38
	2. Coal used in Boiler:		
	Quantity (Tonnes)	Nil	Nil
	Cost (₹)	Nil	Nil
	Average Rate (₹)	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)	6,558	7,198
	Total Cost (₹)	2,09,54,635	2,13,73,481
	Average Rate (₹)	3,195	2,969
B	Consumption per unit of production (Linear meter)		
	Electricity	0.88	0.59
	Furnace Oil	Nil	Nil
	Coal (Kgs.)	Nil	Nil
	Others (Firewood) (Kgs.)	2.41	1.60
2.	Technology Absorption:	The Company has its In – house Design and Development Department continuously develop innovative designs and select the most suitable raw fabrics for dyeing / printing / processing.	
3.	Foreign Exchange earnings and outgo		
	Earnings (₹) `	99,59,792	22,08,022
	Outgo (₹)	90,135	2,87,931

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, 2018. 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.

I. BOARD OF DIRECTORS

COMPOSITION:

The Board of Directors, as at the end of the year on 31st March 2018 comprised of Six Directors out of which three being Independent Directors and three being Non-Independent Directors. One Independent Director is a Woman Director.

Corporate Governance Report (Contd.)

During the Financial Year 2017-2018, 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 2018.

Board Meetings:

Five (5) 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 dates on which the Board meetings were held are 22.05.2017, 24.07.2017 28.08.2017, 13.12.2017 and 14.02.2018.

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 26.09.2017	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	5	5	Present	-	-	-	-
Susheel Kumar Gupta	ED & CFO (From: 13.08.18)	5	5	Present	-	-	-	-
R.Malhotra	FD/CFO (up to 23.07.18)	5	5	Present	-	-	-	-
M Srikanth Reddy	ID/NED	5	5	Present	-	2	-	Member in 3 committees of Ganga Kaveri Seeds Private Limited
CA. P.Vikram	ID/NED	5	4	Present	-	-	-	-
CA .Alka Zanwar	ID/NED	5	5	Present	-	-	-	-

CMD/P/ED/FD/CFO : Chairman and Managing Director/Promoter/Executive Director, Finance Director, Chief Financial Officer

ID/NED: Independent Director/ Non-Executive Director

C: Chairman M: Member

AGENDA, PROCEEDINGS ETC., OF THE BOARD MEETING

All the Meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information and documents (Except for critical price sensitive information, which is circulated in the Meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the Meetings of the Board Committees. Additional Agenda items in the form of "Other Business" are included

Corporate Governance Report (Contd.)

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.

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 19.02.2018, 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.

Corporate Governance Report (Contd.)

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 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.
2. Recommending the appointment and removal of statutory auditors, internal auditors and cost auditors, fixation of their audit fees and approval for payment of any other services.
3. Reviewing the financial statement and draft audit report, including quarterly/half yearly financial information.
4. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
 - i) The changes in accounting policies and practices.
 - ii) Major accounting entries based on excises of judgment by the management.
 - iii) Qualifications in draft audit report.
 - iv) Significant adjustment arises out of audit.
 - v) The going concern assumption.
 - vi) Compliance with accounting standards, stock exchange and legal requirement concerning financial statements.
 - vii) Review and approval of related party transactions.
5. Reviewing, with the management, external and internal auditors, the adequacy and compliance of internal control systems.

Corporate Governance Report (Contd.)

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 2017 to March 2018, Four (4) Audit Committee Meetings were held. The dates on which the said meetings were held are 22.05.2017, 28.08.2017, 13.12.2017 and 14.02.2018.

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 2017-2018	
			Held	Attended
Shri M. Srikanth Reddy	Chairman	Independent, Non-Executive	4	4
CA P Vikram	Member	Independent, Non-Executive	4	3
CA Alka Zanwar	Member	Independent, Non-Executive	4	4

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 26th September, 2017. 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.

Corporate Governance Report (Contd.)

- 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.

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 2017-18	
			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

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.

Corporate Governance Report (Contd.)

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

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

3.1.3 The proposed appointee shall also fulfill the following requirements:

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

Corporate Governance Report (Contd.)

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

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

Corporate Governance Report (Contd.)

3.3 Other Directorships/ Committee Memberships

- 3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance Accordingly, members should voluntarily limit their Directorships in other listed public limited companies in such a way that it does not interfere with their role as Director of the Company. The NR Committee shall take into account the nature of, and the time involved in a Director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- 3.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be public limited companies.
- 3.3.3 A Director shall not serve 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:

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

2. Terms and Reference:

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

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

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 (NR) committee shall review and approve the remuneration payable to the Executive Director of the Company within the overall approved by the shareholders.

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

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

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

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

3.2 Remuneration to Non – Executive Directors

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

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

3.3. Remuneration to other employees

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

Corporate Governance Report (Contd.)

PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS VIS-À-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 ₹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,2018:

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	-	70,000	70,000
CA. P. Vikram	-	55,000	55,000
CA Alka Zanwar	-	70,000	70,000

Non- Executive Directors interest

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

Sl. 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

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

Corporate Governance Report (Contd.)

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 2017 to March 2018, Four (4) Stakeholders Relationship Committee Meetings were held. The dates on which the said meetings were held are 22.05.2017, 28.08.2017, 13.12.2017 and 14.02.2018.

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 2017-2018	
			Held	Attended
Shri M. Srikanth Reddy	Chairman	Independent, Non-Executive	4	4
CA.P.Vikram	Member	Independent, Non-Executive	4	3
CA Alka Zanwar	Member	Independent, Non-Executive	4	4

NAME AND DESIGNATION OF COMPLIANCE OFFICER

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

DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2017-2018

INVESTOR COMPLAINTS	
Particulars	Year ended 31.03.2018
Pending at the beginning of the year	Nil
Received during the year	12
Disposed of during the year	12
Remaining unresolved at the end of the year	Nil

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

Corporate Governance Report (Contd.)

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-500004.

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
2014-2015	30.09.2015	11.00 a.m.	3 (Three)
2015-2016	29.09.2016	11.00 a.m.	2 (Two)
2016-2017	26.09.2017	11.00 a.m.	2 (Two)

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.

Corporate Governance Report (Contd.)

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.

Year 2016-17

1. Ratification of appointment and Payment of remuneration to the Cost auditor for the financial Year 2017-2018
2. Re-appointment and continuation of Mr. Rakesh Malhotra as Whole-time director and CFO of the company

No resolution was passed through postal ballot during the year 2017-18.

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 2 of Notes on Accounts under point No: 2.10 to the Accounts in the Annual Report.

- b) The Company has complied with all the requirements of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015 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, 2018. 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.

Corporate Governance Report (Contd.)**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.

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.

DECLARATION ON CODE OF CONDUCT FOR THE YEAR 2017-18

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, 2018 as envisaged in Regulation 26(3) of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015

CEO/ CFO Certification

The Managing Director and CEO/ CFO certification of the financial statements for the year 2017-18 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 has an Executive Chairman and the Board is having required number of Independent directors. 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 form 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.

Corporate Governance Report (Contd.)

MEANS OF COMMUNICATION:

- i. The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the Performa prescribed by Regulation 33 of SEBI (LODR), Regulations, 2015 within forty five days/sixty days of the close of the respective period.
- ii. The approved financial results are forthwith sent to the listed Stock Exchanges and are published in the newspapers namely, The Financial Express and Nava Telangana within forty-eight hours of approval thereof.
- iii. As the Company's quarterly/half yearly financial results are 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	28 th September, 2018
• Time	10.00 A.M
• Venue of AGM	J.S.Krishan Murthy Hall, 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, 2018	July/August, 2018
• For the Quarter ending September, 2018	October/ November, 2018
• For the Quarter ending December, 2018	January/ February, 2019
• For the Quarter/year ending March, 2019	April/ May, 2019
• Date of Book Closure	22.09.2018 to 28.09.2018
• Listing on Stock Exchanges	BSE Limited
• Scrip Code	530151
• ISIN Number for NSDL & CDSL	INE256G01033

Registrars & Transfer Agents: Aarthi Consultants Private Limited
1-2-85, Domalguda, Hyderabad – 500029
Phone: 040-27638111, 27634445 Fax: 040-2763218
Email: info@aarthiconsultants.com

Share Transfer System:

The Company's Shares are traded on BSE Limited compulsorily in the dematerialized form. 99.88% of the total equity shares of the Company are in dematerialized form with NSDL and CDSL as on 31st March 2018. 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

Corporate Governance Report (Contd.)

Transfer Agents. The Share Transfers are registered and returned within a period of 15 days from the date of lodgement, if documents are complete in all respect.

All matters pertaining to share transfer in physical form are handled by the Registrars and Share Transfer Agents M/s. 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 2018.

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, 2017	43.60	36.00
2	May, 2017	42.45	30.00
3	June, 2017	36.55	30.00
4	July, 2017	72.00	33.60
5	August, 2017	67.00	54.00
6	September, 2017	68.00	42.00
7	October, 2017	46.60	40.15
8	November, 2017	47.20	40.20
9	December, 2017	47.75	40.00
10	January, 2018	67.00	42.00
11	February, 2018	61.70	49.90
12	March, 2018	53.00	37.60

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2018:

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	3,76,319	2.87
	a. Indian Public and others	42,43,636	32.33
	Sub Total B	46,19,955	35.20
	Grand Total (A+B)	1,31,25,000	100

Corporate Governance Report (Contd.)

Distribution of Shareholding as on 31.03.2018

No. of Equity Shares held	No. of Shareholders	%	No. of Shares	%
1 to 5000	8619	91.96	8,38,395	6.39
5001 to 10000	353	3.77	2,73,869	2.09
10001 to 20000	188	2.01	2,80,263	2.13
20001 to 30000	51	0.54	1,31,454	1.00
30001 to 40000	33	0.35	1,19,410	0.91
40001 to 50000	18	0.19	84,070	0.64
50001 to 100000	46	0.49	3,41,651	2.60
100001 and above	65	0.69	1,10,55,888	84.24
Grand Total	9373	100	1,31,25,000	100

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

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

Particulars	No. of Shares	% Share Capital
NSDL	1,12,70,768	85.88
CDSL	18,38,339	14.00
Physical	15,893	0.12
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.

Corporate Governance Report (Contd.)**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 not that no claims shall lie against the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

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

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

Year	Dividend-Type	Date of Declaration	Due Date of Transfer
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 Ministry of Corporate Affairs vide their Notification Dated 13.10.2017 amended the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 specifying that vide the period of 7 years provided under Section 1 to seek 24(5) has been completed are been completed during the period 07.09.2016 to 31.10.2017, the due date of transfer of such shares shall be deemed to be 31.10.2017.

Accordingly the Company has transferred the shares to IEPF account pertaining to the year 2008-2009 – 29,187 Shares and 2009-2010 – 11,488 Shares totalling to 40,675 Shares.

Corporate Governance Report (Contd.)

- 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@arthiconsultants.com
Web: www.arthiconsultants.com.
- Investor Correspondence / Query on Annual Report, Sub-Division, Revalidation of Dividend Warrants etc. S. Nagarajan
Company Secretary
Vijay Textiles Limited
Surya Towers, Ground Floor,
104, Sardar Patel Road
Secunderabad - 500 003.
Ph. No. 040-27848479, 27844086
Fax: 040-27846849 Email: Info@vijaytextiles.in
Web: www.vijaytextiles.in

Depository Services:

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

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

Central Depository Services (I) Ltd.
PhirozeJeejeebhoy 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 the provisions of the Companies Act, 2013 are requested to submit to the RTA in the prescribed form for this purpose.

Company's Policy on prevention of insider trading :

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company had framed a Code of Conduct for prevention of insider trading. Shri S. Nagarajan, Company Secretary, has 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.

Corporate Governance Report (Contd.)

CEO/CFO CERTIFICATION

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

GREEN INITIATIVE IN THE COPORATE GOVERNANCE

As part of the green initiative process, the Company has taken an initiative of sending documents like notice calling Annual General Meeting, Corporate Governance Report, Directors Report, Audited financial Statements, Auditors Report, Dividend intimations etc., by email Physical copies are sent only to those shareholders whose email addresses are not registered with the Company and for bounced mail cases. Shareholders are requested to register their email id with Registrar and Share Transfer Agent/concerned depository to enable the Company to send the documents in electronic from 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: 13.08.2018

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

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 AND 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

Management Discussion and Analysis Report (Contd.)

in innovating techniques and competes well in design and development of its range of products to beat the competition, persistent with constant improvisation, astute pricing policy and highest quality standards.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

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

The Company does not have any geographical segment.

OUTLOOK:

The industry is witnessing all-round growth in the global scenario, which is coupled with rise in demand in the housing and infrastructure. Changing 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 AND CONCERNS:

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

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY:

The Company has an adequate internal control system which commensurate with the size and

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The Company achieved a gross turnover of ₹10,730.17 Lakhs during the year and net profit of ₹788.64 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

Management Discussion and Analysis Report (Contd.)

to follow. Evidently in the current financial year the Company is really beginning to feel an improvement in the market scenario and truly hopes that this trend continues thus helping it in overcoming the obstacles that have been impacting its growth. The Company is pushing up its marketing synergies to gain access to newer markets with its product innovation strategies, improvement in overall operations and introduction of new range of products in line with prevalent trends that will help it to sail well in the ensuing financial year.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.

There are no material developments in the Human Resources area. The Industrial relations have been considered to be satisfactory. The Company constantly reviews the manpower requirements and effective steps are being taken to meet the

requirements. The total number of people directly and indirectly employed by the Company is 310.

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 2017-18 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	27.67 : 1
		Shri Susheel Kumar Gupta	27.67 : 1
		Shri R. Malhotra	12.65:1
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	NIL
		Shri R. Malhotra	NIL
		Shri S. Nagarajan	NIL
Note: During the year 2017-18, 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-2017-2018:
2.85 % increase in the median remuneration of employees for the year 2017-2018
- iv. Number of permanent employees on the rolls of the Company as on 31st March, 2018: 188.
- 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 leverage of employees and Company's annual turnover decreased from ₹115.96 Lakhs to ₹107.30 lakhs
- vi. **Comparison of the Remuneration of Key Managerial Personnel against the performance of the Company.**

Aggregate remuneration of Key Managerial Personnel (KMP) in FY 2017-2018 (₹: in Lakhs)	122.40
Revenue (₹: Lakhs)	11171.26
Remuneration of KMPs (as % of revenue)	1.09
Profit before Tax (PBT) (₹: in Lakhs)	671.52
Remuneration of KMP (as % of PBT)	18.23

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	31.03.2017	31.03.2018
Market Capitalization of the Company (in ₹: Lakhs)	1779.10	2312.65
Closing price at the Bombay Stock Exchange Ltd. (In ₹ :)	42.40	40.00
Price Earnings Ratio as at the closing date	12.47	6.66

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 10.60%.

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

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

Particulars	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 2017-18	42.00	42.00	19.20	19.20
Revenue	11171.26	11171.26	11171.26	11171.26
Remuneration as % of revenue	0.38	0.38	0.17	0.17
Profit before Tax (PBT)	671.52	671.52	671.52	671.52
Remuneration (as % of PBT)	6.25	6.25	2.86	2.86

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.

ANNEXURE TO DIRECTORS' REPORT



TEXTILES LIMITED

ANNEXURE –VII

Statement showing the names of the Top ten Employees in terms of Remuneration drawn as per Rule 5 (3) of the Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014

Sl No	Name of the Employee	Designation of the employee	Remuneration received	Nature of employment whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	The age of the employee	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1	Jonnalagadda Ravi Shankar	Manager Accounts	5,60,160.00	Regular	B com, 16 Years	26.12.2002	50 Years	Pragna Software Ltd	900	- NIL -
2	Mukesh Gandhi	Chief Manager Operations	5,40,000.00	Regular	IIT Mechanical, 1 Years	03.10.2017	64 Years	Harish Textiles	- NIL -	- NIL -
3	Konda Sahadeva Murthy	Factory Manager	5,07,600.00	Regular	Bsc, 11 Years	01.04.2007	70Years	Surya Lakshmi	- NIL -	- NIL -
4	Sonal Malhotra	Sales Manager	4,80,000.00	Regular	Graduate, 15 Years	24.04.2003	61 Years	- NIL -	- NIL -	- NIL -
5	S Manalakshmi	Sales Manager	4,80,000.00	Regular	Msc, 22 Years	01.02.1995	57 Years	- NIL -	- NIL -	- NIL -
6	J Chandu Naik	Senior Boiler Operator	4,33,200.00	Regular	Intermediate, 5 Years	01.07.2013	39 Years	Agarwal Ltd	- NIL -	- NIL -

**ANNEXURE TO
DIRECTORS' REPORT**



TEXTILES LIMITED

Sl No	Name of the Employee	Designation of the employee	Remuneration received	Nature of employment whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	The age of the employee	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
7	Ram Niwas	Chief Security Officer	3,84,540.00	Regular	9th class, 12 Years	01.01.2006	52 Years	- NIL -	- NIL -	- NIL -
8	Choturam	Senior Administration Manager	3,84,360.00	Regular	6th class, 12 Years	01.01.2006	53 Years	- NIL -	- NIL -	- NIL -
9	TheLangi Balaji	Boiler Operator	3,73,200.00	Regular	9th class, 2 Years	01.11.2016	44 Years	Suryajyothi	- NIL -	- NIL -
10	Jarupla Lalya	Boiler Operator	3,73,200.00	Regular	Graduate, 3 Years	01.09.2015	39 Years	Suryajyothi	- NIL -	- NIL -

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 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.

Place: Secunderabad
Date: 29.05.2018

Sd/-
Rakesh Malhotra
Chief Financial Officer
DIN: 05242639

Sd/-
Vijay Kumar 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 2018, 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.

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 Regulations.

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: 29th May 2018

TO
THE MEMBERS OF
VIJAY TEXTILES LIMITED.

Report on the Financial Statements

We have audited the accompanying financial statements of Vijay Textiles Limited (the 'Company'), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity 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 are 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 state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's 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 including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31st March 2018, its profit (financial performance including other comprehensive income), its cash flows and the changes in equity 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 (including other comprehensive income), Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the IND AS specified under Section 133 of the Act, read with relevant rules issued there under.
 - (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 2.1 to the financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Sd/-
Dayaniwas Sharma
Partner

Membership Number: 216244

Place : Hyderabad
Date : 29th May 2018

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 31st March 2018, 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 are not physically verified by the Management during the year as there is a phased programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such verification.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii). The inventory has been physically verified 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, Value added tax, Cess, Goods and Service Tax and any other statutory dues applicable to it as on 31st March 2018.

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, Goods and Service Tax and other material statutory dues were in arrears as at 31st March 2018 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, Value added tax, Cess and Goods and Service Tax 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 31.03.2018	Amount Outstanding as on 31.03.2017	Appeal Pending with
Income Tax	2009-10	88,36,190	88,36,190	CIT Appeals – IV
	2011-12	2,32,440	2,70,350	AO Order is awaited

- (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 not made preferential allotment of equity shares.
- (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 : 29th May 2018

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 31st March 2018 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 31st March 2018, 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 : 29th May 2018

NOTES TO FINANCIAL STATEMENTS

**NOTE 1: SIGNIFICANT ACCOUNTING
POLICIES**

1.1. Corporate Information

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

1.2. Statement of Compliance

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

The financial statements are the Company’s first IND AS and covered by IND AS 101 first time adoption of Indian Accounting Standards for the financial year 2017-18. For all periods up to and including the year ended 1st April 2016, the Company prepared its financial statements in accordance with the accounting standards notified under the Section 133 of the Companies Act 2013, read together with the Companies (Accounts) Rules, 2014 (Indian GAAP).

An explanation of how the transition to Ind AS has affected the Company’s equity and its net profit is provided in Note 2.16

1.3. Preparation of Financial Statements

a) Basis of Accounting

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

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

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

b) Significant accounting judgments, estimates and assumptions

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

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

c) Current/ Non-Current Classification

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

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle
- ii. Held primarily for the purpose of trading

- iii. Expected to be realized within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

1.4. PROPERTY , PLANT AND EQUIPMENT

Property, plant and equipment are stated at 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 "Capital Advance" under Other Non-Current Assets.

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

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

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

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

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

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

Subsequent cost

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

De-recognition

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

Gains or losses arising from de-recognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets is de-recognized.

I.5. REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The

Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

a) Interest income

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

b) Other income

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

I.6. LEASES

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

I.7. INVENTORIES

- (a) Raw Materials, work in progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realizable value.
- (b) In determining cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables,

First-In-First-Out method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

- (c) Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition.
- (d) Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

I.8. RETIREMENT BENEFITS TO EMPLOYEE

(a) Defined Contribution Plan:

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

(b) Defined Benefit Plan:

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

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

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

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

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

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

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

I.9. FOREIGN CURRENCY TRANSACTIONS AND BALANCES

(a) Initial Recognition

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

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

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

I.10. BORROWING COSTS

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

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

I.11. EARNINGS PER SHARE

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

For the purpose of calculating diluted 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.

I.12. TAXATION

Tax expense comprises of current tax (i.e. amount of tax for the period determined in

accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

(a) Current Tax :

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

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

(b) Deferred Tax:

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

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

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

- (ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- (i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- (ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

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

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

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

I.13. IMPAIRMENT OF ASSETS

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

I.14. SEGMENT REPORTING

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

The Company does not have any geographical segment.

I.15. PROVISIONS AND CONTINGENCIES

The Company creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

I.16.FINANCIAL INSTRUMENTS

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

Financial Assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortized cost

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

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

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

Equity investments

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

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

De-recognition

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

- (i) The rights to receive cash flows from the asset have expired, or

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

Financial liabilities**Initial recognition and measurement**

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

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

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

Subsequent measurement

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

Loans and borrowings

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

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

De-recognition

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

Fair Value Measurement

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

NOTE 2: NOTES TO ACCOUNTS

2.1. 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. The Company is taking necessary steps for extension of validity period for further period of 2 years.
	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 31.03.18	Amount Outstanding as on 31.03.17	Appeal Pending with
2009-10	88,36,190	88,36,190	Appeal filed before ITAT by the Company was allowed. Subsequently AO has raised a fresh demand for payment of tax against the Company. Aggrieved by this order the Company has filed an appeal before CIT Appeals – IV on 29.04.2016 and the same was allowed in its favor. Consequently, department has preferred an appeal before ITAT, which is pending for disposal.

Assessment year	Amount Outstanding as on 31.03.18	Amount Outstanding as on 31.03.17	Appeal Pending with
2011-12	2,32,440	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 partly allowed in favor of the Company. Consequential Order to be passed by AO is awaited.

(b) Labour Court Award

Labour Court III, Hyderabad had passed an award vide G.O. Rt. No. 223 dated 23 March 2017 in I.D. No. 17 of 2010, in favor of Balaji Vishnu Patil ex-employee working under Job Worker at the Company's Rajapur Unit and directed the Company to pay an amount of ₹2,50,000/- towards retrenchment compensation in lieu of the reinstatement to Balaji Vishnu Patil. The Company has preferred an appeal before AP & Telangana High Court, Hyderabad bearing reference no. WPMP No. 31873 of 2017 in WP No. 25695 of 2017 against the said award. High Court has granted interim stay vide its order dated 02 August 2017 on the condition the Company depositing one third of the awarded amount and the Company has complied with the condition.

(c) Commitments

Estimated amount of liability on account of Capital Commitments of ₹ Nil. (Previous year ₹ Nil).

2.2. (a) Raw Materials Consumed

Type of Raw Material	Year2017-2018	Year2016-2017	Year2015-2016
(a) Grey Cloth	17,05,44,150	25,76,45,013	29,10,99,912
(b) Textile Fabrics	43,61,39,460	42,37,34,411	12,71,51,450
(c) Others	5,20,06,072	6,78,36,633	6,67,51,542
TOTAL	65,86,89,682	74,92,16,057	48,50,02,904

(b) Trading Goods Purchased

Type of Trading Goods	Year2017-2018	Year2016-2017	Year2015-2016
Textile Fabrics	4,68,30,685	6,58,45,614	10,70,99,700
Others	1,88,26,480	50,98,432	1,07,42,705
TOTAL	6,56,57,165	7,09,44,046	11,78,42,405

(c) Turnover

Particulars	Year2017-2018	Year2016-2017	Year2015-2016
(i) Manufactured Goods			
Textile Fabrics	85,95,73,639	92,68,40,231	83,17,25,948
Others	7,33,80,506	9,33,09,589	6,21,32,599
(ii) Traded Goods			
Textile Fabrics	10,71,35,372	9,56,75,328	16,17,87,312
Others	3,29,27,141	4,37,98,978	2,33,94,831
TOTAL	107,30,16,658	115,96,24,126	107,90,40,690

(d) Stock

Opening Inventory	Year 2017-2018	Year 2016-2017	Year 2015-2016
(i) Manufactured Goods			
Textile Fabrics	54,34,01,967	42,70,27,589	47,53,04,073
Others	4,32,47,866	3,75,55,116	4,07,14,133
(ii) Trading Goods			
Textile Fabrics	36,59,05,000	28,75,27,004	21,78,39,061
Others	3,25,08,469	3,64,44,581	1,46,37,508
TOTAL	98,50,63,302	78,85,54,290	74,84,94,775
Closing Inventory	Year 2017-2018	Year 2016-2017	Year 2015-2016
(i) Manufactured Goods			
Textile Fabrics	65,47,54,611	54,34,01,967	42,70,27,589
Others	6,16,66,400	4,32,47,866	3,75,55,116
(ii) Trading Goods			
Textile Fabrics	43,03,79,602	36,59,05,000	28,75,27,004
Others	3,96,26,314	3,25,08,469	3,64,44,581
TOTAL	118,64,26,927	98,50,63,302	78,85,54,290

2.3. Expenditure in Foreign Currency

Particulars	Year 2017-2018	Year 2016-2017	Year 2015-2016
Travelling Expenses	90,135	2,87,931	2,20,038

2.4. Earnings of Foreign Currency

Particulars	Year 2017-2018	Year 2016-2017	Year 2015-2016
FOB value of Exports	99,59,792	22,08,022	26,72,148

2.5. Capital Work in Progress is ₹ Nil (Previous year Nil).

2.6. 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 2017-18	Year 2016-17
I. Assumptions		
Discount Rate	7.46%	7.46%
Rate of Return on Plan Assets	9.00%	9.00%
Salary Escalation Average for next seven years	8.00%	8.00%
II. Table Showing Change in Benefit Obligation		
Liability at the beginning of the year	1,15,86,904	82,72,101
Interest Cost	8,38,761	5,95,296
Current Service Cost	16,36,270	16,08,888
Benefit Paid	(6,86,916)	(5,84,514)
Actuarial (gain)/loss on obligations	18,25,389	16,95,133
Liability at the end of the year	1,52,00,408	1,15,86,904

Particulars	Year 2017-18	Year 2016-17
III. Tables of Fair value of Plan Assets		
Fair Value of Plan Assets at the beginning of the Period	81,37,808	80,06,618
Adjustment to Opening Balance	-	(5,993)
Expected Return on Plan Assets	6,23,548	6,94,292
Contributions	-	-
Benefit Paid	(6,86,916)	(5,84,514)
Actuarial gain/(loss) on Plan Assets	(2,65,910)	27,405
Fair Value of Plan Assets at the end of the year	78,08,530	81,37,808
Total Actuarial Gain/(Loss) to be Recognized	(2,65,910)	27,405
IV. Actual Return on Plan Assets:		
Expected Return on Plan Assets	6,23,548	6,94,292
Actuarial gain/(loss) on Plan Assets	(2,65,910)	27,405
Actual Return on Plan Assets	3,57,638	7,21,697
V. Amount Recognized in the Balance Sheet		
Liability at the end of the year	1,52,00,408	1,15,86,904
Fair Value of Plan Assets at the end of the year	81,37,808	81,37,808
Difference	70,62,600	34,49,096
Net Assets/(Liabilities) Recognized in the Balance Sheet	70,62,600	34,49,096
VI. Expenses Recognized in the Statement of Profit and Loss		
Current Service Cost	16,36,270	16,08,888
Interest Cost	8,38,761	5,95,296
Expected Return on Plan Assets	(6,23,548)	(6,94,292)
Net Actuarial (Gain)/Loss to be Recognized	20,91,298	16,67,728
Expense Recognized in P&L	39,42,781	31,77,620
VII. Balance Sheet Reconciliation		
Opening Net Liability	34,49,096	2,65,483
Adjustment to opening balance	--	5,993
Expense as above	39,42,781	31,77,620
Employer's Contribution	--	-
Amount Recognized in Balance Sheet	73,91,877	34,49,096

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

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

2.9. Fair Value Hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates.

Level 3: Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Fair value hierarchy				
Particulars	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		Level 1	Level 2	Level 3
31-Mar-18				
Financial Asset				
Financial Liability				
Borrowings	52,68,11,482	37,52,83,898	-	15,15,27,584
Total	52,68,11,482	37,52,83,898	-	15,15,27,584
31-Mar-17				
Financial Asset				
Financial Liability				
Borrowings	68,43,33,824	54,60,67,460	-	13,82,66,364
Total	68,43,33,824	54,60,67,460	-	13,82,66,364

2.10. Related Parties Disclosures:

Information of Related Party Transactions as required by AS 18 on “Related Party Disclosures” for the year ended 31st March, 2018:

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	84,00,000	-	19,20,000	1,03,20,000
2	Rent / Lease	27,03,708	-	-	27,03,708
3	Interest on Unsecured Loan	4,95,30,793	-	-	4,95,30,793
4	Unsecured Loan – Taken	34,28,50,000	-	-	34,28,50,000
5	Unsecured Loan – Repaid	5,08,15,000	-	-	5,08,15,000
6	Amount payable at the year end	4,55,79,403	-	-	4,55,79,403
7	Unsecured Loans Outstanding as at 31.03.2018	73,97,00,000	-	-	73,97,00,000

2.11. 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-29.
- Future minimum lease rentals payable as per the lease agreements:

Sl No.	Particulars	As at 31.03. 2018*	As at 31.03. 2017
(i)	Not Later than one year	2,75,24,407	2,52,82,717
(ii)	Later than one year but not later than 5 years	12,74,65,396	11,53,86,178
(iii)	Later than five years	5,85,86,585	5,93,45,589

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

2.12. Deferred Tax

The breakup of Deferred Tax Liability as on 31st March, 2018 is as follows:

Particulars	As at 31.03. 2018	As at 31.03. 2017	As on 1 st April, 2016
Deferred tax Liability arising on account of			
Difference between accounting base and tax base of property, plant and equipment and Intangible Asset	(10,07,82,420)	(10,64,05,597)	(10,88,27,971)
Unamortised provision Cost	(5,38,190)	(9,18,091)	(13,71,727)
Provision for Gratuity	24,67,704	11,40,374	87,777
Unused Tax Losses	87,62,529	-	-
Net Deferred Tax (Asset)/ Liability	(9,00,90,377)	(10,61,83,314)	(11,01,11,921)

Note A: Movements in Deferred tax assets and Deferred tax liabilities from 1 April 2017 to 31 March 2018:

Particulars	Opening balance as on 01-04-2017	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance as on 31-03-2018
Deferred tax Liability arising on account of				
Difference between accounting base and tax base of property, plant and equipment and Intangible Asset	(10,64,05,597)	56,23,177	-	(10,07,82,420)
Unamortised provision Cost	(9,18,091)	3,79,901	-	(5,38,190)
Provision for Gratuity	11,40,374	6,29,171	6,98,159	24,67,704
Unused Tax Losses	-	87,62,529	-	87,62,529
Net Deferred Tax (Asset)/ Liability	(10,61,83,314)	1,53,94,778	6,98,159	(9,00,90,377)

Note B: Movements in Deferred tax assets and Deferred tax liabilities from 1 April 2016 to 31 March 2017:

Particulars	Opening balance as on 01-04-2016	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance as on 31-03-2017
Deferred tax Liability arising on account of				
Difference between accounting base and tax base of property, plant and equipment and Intangible Asset	(10,88,27,971)	24,22,374	-	(10,64,05,597)
Unamortised provision Cost	(13,71,727)	4,53,636	-	(9,18,091)
Provision for Gratuity	87,777	5,01,229	5,51,368	11,40,374
Unused Tax Losses	-	-	-	-
Net Deferred Tax (Asset)/ Liability	(11,01,11,921)	33,77,239	5,51,368	(10,61,83,314)

2.13. 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.

- 2.14.** 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 2018.
- 2.15.** Letters have been written for confirmation of debit and credit balances pertaining to debtors and creditors and reply from the parties is awaited.
- 2.16. First time adoption of Ind AS**

These financial statements, for the year ended March 31, 2018, are the first set of financial statements, the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (“Indian GAAP” or “Previous GAAP”).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company’s opening balance sheet was prepared as at April, 1 2016, the Company’s date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

Exemptions applies

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- (a) The Company has elected to regard carrying values for all of property, plant and equipment as deemed cost at the date of the transition.

Estimates

The estimates as at April 01, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from impairment of financial assets bases on expected credit loss model where application of Indian GAAP did not require estimation. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2016 (transition date), March 31, 2017 and March 31, 2018.

Reconciliation between Previous IGAAP and Ind AS

Ind AS 101, First time adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flow for prior period. The following tables represent the reconciliations from previous GAAP to Ind AS

NOTE 2.16: FIRST TIME ADOPTION OF Ind AS

Balance sheet

As on 31st March, 2017 along with comparative of 1st April, 2016

(₹)

Opening Balance Sheet as on 01.04.2016 As on 31.03.2017

Particulars	Notes	As per IND AS	As per IGAAP	IND AS Adjustments	As per IND AS	As per IGAAP	IND AS Adjustments
ASSETS							
Non-current assets							
(a) Property, plant and equipment		85,88,06,589	85,88,06,589	-	80,03,14,130	80,03,14,130	-
(b) Capital work-in-progress		-	-	-	-	-	-
(c) Intangible assets		72,807	72,807	-	1,82,338	1,82,338	-
(d) Other Non-Current assets		2,27,24,706	2,27,24,706	-	2,37,71,050	2,37,71,050	-
Total Non - Current Assets		88,16,04,102	88,16,04,102	-	82,42,67,518	82,42,67,518	-
Current assets							
(a) Inventories		90,46,31,578	90,46,31,578	-	110,22,41,009	110,22,41,009	-
(b) Financial Assets		-	-	-	-	-	-
(i) Trade receivables		114,70,22,201	114,70,22,201	-	119,24,50,578	119,24,50,578	-
(ii) Cash and cash equivalents		68,39,055	68,39,055	-	39,50,575	39,50,575	-
(iii) Other financial assets		20,36,39,168	20,36,39,168	-	20,40,92,050	20,40,92,050	-
(c) Other Non-Financial assets		2,27,98,263	2,27,98,263	-	5,02,19,472	5,02,19,472	-
Total Current Assets		228,49,30,265	228,49,30,265	-	255,29,53,684	255,29,53,683	-
Total Assets		316,65,34,367	316,65,34,367	-	337,72,21,202	337,72,21,201	-
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital	A	11,50,02,689	64,26,02,689	(52,76,00,000)	13,12,52,689	65,88,52,689	(52,76,00,000)
(b) Other equity	E	40,42,95,286	41,37,51,708	(94,56,422)	48,13,82,598	48,44,42,435	(30,59,837)
Total equity		51,92,97,975	105,63,54,397	(53,70,56,422)	61,26,35,287	114,32,95,124	(53,06,59,837)

NOTE 2.16: FIRST TIME ADOPTION OF Ind AS

Balance sheet

As on 31st March, 2017 along with comparative of 1st April, 2016

(₹)

Opening Balance Sheet as on 01.04.2016 As on 31.03.2017

Particulars	Notes	As per IND AS	As per IGAAP	IND AS Adjustments	As per IND AS	As per IGAAP	IND AS Adjustments
LIABILITIES							
Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings	A & C	117,06,22,354	104,85,63,467	12,20,58,887	113,19,98,825	99,65,09,253	13,54,89,572
(b) Other Non Current Liability	A	40,13,92,287	-	40,13,92,287	38,93,33,635	-	38,93,33,635
(c) Deferred tax liabilities (net)	D	11,01,11,921	9,65,06,672	1,36,05,249	10,61,83,314	10,03,46,684	58,36,630
Total Non - Current Liabilities		168,21,26,562	114,50,70,139	53,70,56,423	162,75,15,774	109,68,55,937	53,06,59,837
Current liabilities							
(a) Financial Liabilities							
(i) Borrowings		56,65,90,627	56,65,90,627	-	67,69,93,851	67,69,93,851	-
(ii) Trade payables		18,25,08,988	18,25,08,988	-	19,24,11,809	19,24,11,809	-
(iii) Other financial liabilities		20,83,96,450	20,83,96,450	-	25,48,20,819	25,48,20,819	-
(c) Other Current liabilities		44,72,454	44,72,454	-	52,93,866	52,93,866	-
(d) Provisions		31,41,311	31,41,311	-	75,49,796	75,49,796	-
(e) Income tax liabilities (net)		-	-	-	-	-	-
Total Current Liabilities		96,51,09,830	96,51,09,830	-	113,70,70,141	113,70,70,141	-
Total Equity and Liabilities		316,65,34,367	316,65,34,367	-	337,72,21,202	337,72,21,202	-

STATEMENT OF PROFIT & LOSS

for the year ended 31st March, 2017

Reconciliation Statement of Profit and Loss and Other Comprehensive Income

(₹)

Particulars	Notes	Year ended 31-03-2017		
		IGAAP	Difference	Ind-AS
Revenue from operations		115,96,24,126	-	115,96,24,126
Other income	A	2,32,67,643	1,20,58,652	3,53,26,295
Total income		118,28,91,769	1,20,58,652	119,49,50,421
Expenses				
Cost of raw material and components consumed		74,92,16,057	-	74,92,16,057
Purchase of traded goods		7,09,44,046	-	7,09,44,046
Packing Material Consumed		72,74,292	-	72,74,292
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods		(19,49,13,589)	-	(19,49,13,589)
Manufacturing Expenses		6,81,93,911	-	6,81,93,911
Employee benefits expense	B	7,13,18,871	(16,67,627)	6,96,51,244
Finance costs	A & C	20,42,02,524	1,40,65,705	21,82,68,229
Depreciation and amortization expense		7,42,03,436	-	7,42,03,436
Other expenses		8,97,86,463	-	8,97,86,463
Total expense		114,02,26,011	123,98,078	115,26,24,089
Profit/(loss) before share of (profit)/loss of an associate and a joint venture, exceptional items and tax from continuing operations		4,26,65,758	(3,39,426)	4,23,26,332
Share of (profit)/loss of an associate and a joint venture				
Profit/(loss) before exceptional items and tax from continuing operations		4,26,65,758	(3,39,426)	4,23,26,332
Exceptional items		-		
Profit/(loss) before tax from continuing operations		4,26,65,758	(3,39,426)	4,23,26,332
(1) Current tax				
(2) Adjustment of tax relating to earlier periods			-	
(3) Deferred tax		38,40,012	(72,17,251)	(33,77,239)
(4) Deferred Tax for earlier years				
(5) MAT Credit				
(6) Short/excess provision for earlier years				
Total income tax expense		38,40,012	(72,17,251)	(33,77,239)
Profit for the year from continuing operations		3,88,25,746	68,77,825	4,57,03,571
Discontinued operations				
Profit/(loss) before tax for the year from discontinued operations				
Tax Income/ (expense) of discontinued operations				

Profit/ (loss) for the year from discontinued operations		-		
Profit/(loss) for the year		3,88,25,746	68,77,825	4,57,03,571
Other Comprehensive Income				
(i) Re-measurement of the net defined benefit liability/assets	B	-	(16,67,627)	(16,67,627)
Add: Deferred Tax (Actuarial Gain / Loss)		-	5,51,368	5,51,368
(ii) Items that will be reclassified subsequently to profit or loss				
Total other comprehensive income, net of taxes		-	(11,16,259)	(11,16,259)
Total Income for the period		3,88,25,746	57,61,566	4,45,87,312

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Explanations for reconciliation of balance sheet previously reported under IGAAP to IND AS

A. Preference Share -

The Company has 52,76,000 Non-Convertible Cumulative Redeemable Preference Shares having a par value of ₹100/- each per share (Previous Year : ₹100/- each). On the date of transition 1st April, 2016, as per IND AS 109 "Financial Instrument" such class of Preference shares are to be re-classified as financial liability and recognized at Amortized cost by Effective rate of interest (on the basis of weighted average cost of capital as on transition date) by considering estimated future cash outflows.

B. Employee Benefit Expense

Under the Previous GAAP, these re-measurements were forming part of the profit or loss for the year. Under Ind AS, re-measurements i.e. actuarial gains and losses, are recognised in other comprehensive income instead of the statement of profit and loss.

C. Transaction Cost

Transaction costs in respect of bank loans are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method, as compared to charging to profit and loss in the initial year of loan when expense is incurred.

D. Tax

Tax component on items classified through OCI are shown separately in OCI

Cash Flow Statements

There were no significant reconciliation items between cash flows prepared under IGAAP and those prepared under IND AS

In terms of our report attached
For LAXMINIWAS & Co
Chartered Accountants
Firm Registration No: 011168S
Sd/-

Dayaniwas Sharma
Partner
Membership No: 216244

Place: Hyderabad
Date : 29th May, 2018

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

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

R. Malhotra
Finance Director & CFO
DIN:05242639

Susheel Kumar Gupta
Executive Director
DIN:00362714

S. Nagarajan
Company Secretary
M.No:2532

2.17. 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

2.18. Previous year's figures have been re-grouped and re-arranged wherever necessary so as to make them comparable with the current year.

**As per our report of even date
For LAXMINIWAS &Co**

Chartered Accountants
Firm Registration No:011168S

Sd/-

Dayaniwas Sharma

Partner

Membership No: 216244

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

Sd/-

Vijay Kumar Gupta

Chairman & Managing Director

DIN:01050958

Susheel Kumar Gupta

Executive Director

DIN:00362714

Place: Hyderabad

Date : 29th May, 2018

R. Malhotra

Finance Director & CFO

DIN:05242639

S. Nagarajan

Company Secretary

M.No:2532

**BALANCE SHEET AS AT
31ST MARCH, 2018**



TEXTILES LIMITED

Particulars	Notes	As at	As at	As at
		31.03.2018	31.03.2017	01.04.2016
		₹	₹	₹
ASSETS				
NON-CURRENT ASSETS				
(a) Property, plant and equipment	3	75,52,15,974	80,03,14,130	85,88,06,589
(b) Capital work-in-progress		-	-	-
(c) Intangible Assets	4	3,40,808	1,82,338	72,807
(d) Other Non - current Assets	5	2,38,78,698	2,37,71,050	2,27,24,706
TOTAL NON - CURRENT ASSETS		77,94,35,480	82,42,67,518	88,16,04,102
CURRENT ASSETS				
(a) Inventories	6	130,99,35,157	110,22,41,009	90,46,31,578
(b) Financial Assets				
(i) Trade receivables	7	122,28,37,106	119,24,50,578	114,70,22,201
(ii) Cash and cash equivalents	8	26,10,655	39,50,575	68,39,055
(iii) Other Financial Assets	9	20,34,77,281	20,40,92,050	20,36,39,168
(c) Other current Assets	10	2,95,32,938	5,02,19,472	2,27,98,263
TOTAL CURRENT ASSETS		276,83,93,137	255,29,53,684	228,49,30,265
TOTAL ASSETS		354,78,28,617	337,72,21,202	316,65,34,367
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	11	13,12,52,689	13,12,52,689	11,50,02,689
(b) Other Equity		56,02,46,182	48,13,82,598	40,42,95,286
TOTAL EQUITY		69,14,98,871	61,26,35,287	51,92,97,975
LIABILITIES				
NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	12	126,65,11,481	113,19,98,825	117,06,22,354
(b) Deferred Tax Liabilities (Net)	13	9,00,90,377	10,61,83,314	11,01,11,921
(c) Other Non Current Liability	14	37,60,72,416	38,93,33,635	40,13,92,287
TOTAL NON - CURRENT LIABILITIES		173,26,74,274	162,75,15,774	168,21,26,562

**BALANCE SHEET AS AT
31ST MARCH, 2018 (CONTD.)**



TEXTILES LIMITED

Particulars	Notes	As at	As at	As at
		31.03.2018	31.03.2017	01.04.2016
		₹	₹	₹
CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	15	67,59,19,082	67,69,93,851	56,65,90,627
(ii) Trade payables	16	17,48,72,096	19,24,11,809	18,25,08,988
(iii) Other financial liabilities	17	24,92,05,715	25,48,20,819	20,83,96,450
(b) Other current liabilities	18	1,01,66,081	52,93,866	44,72,454
(c) Provisions	19	1,18,56,985	75,49,796	31,41,311
(d) Income tax liabilities (net)	20	16,35,513	-	-
TOTAL CURRENT LIABILITIES		112,36,55,472	113,70,70,141	96,51,09,830
TOTAL EQUITY AND LIABILITIES		354,78,28,617	337,72,21,202	316,65,34,367
Significant Accounting Policies	1			
Notes to Accounts	2			

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

For and on behalf of the Board of Directors of
Vijay Textiles Limited
CIN : L18100TG1990PLC010973

Sd/-
Dayaniwas Sharma
Partner
Membership No:216244

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

Sd/-
Susheel Kumar Gupta
Executive Director
DIN:00362714

Place: Hyderabad
Date: 29th May, 2018

R. Malhotra
Finance Director & CFO
DIN:05242639

S. Nagarajan
Company Secretary
M.No:2532

**STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED
31ST MARCH, 2018**



TEXTILES LIMITED

Particulars	Notes	For the Year 2017-2018 ₹	For the Year 2016-2017 ₹
INCOME			
Revenue from Operations	21	107,30,16,658	115,96,24,126
Other Income	22	4,41,09,131	3,53,26,295
TOTAL REVENUE FROM OPERATIONS		111,71,25,789	119,49,50,421
EXPENSES			
Cost of Materials Consumed	23	65,86,89,682	74,92,16,057
Purchase of Stock -in -Trade		6,56,57,165	7,09,44,046
Packing Material Consumed	24	51,31,652	72,74,292
Changes in Inventories of Finished Goods and Work -in-Progress	25	(19,90,66,706)	(19,49,13,589)
Manufacturing Expenses	26	6,44,66,965	6,81,93,911
Employee Benefit Expenses	27	7,40,13,722	6,96,51,244
Finance Costs	28	22,14,46,102	21,82,68,229
Depreciation and Amortization Expenses	3&4	7,00,55,001	7,42,03,436
Other Expenses	29	8,95,80,056	8,97,86,463
TOTAL EXPENSES		104,99,73,639	115,26,24,089
Profit before tax		6,71,52,150	4,23,26,332
TAX EXPENSES			
(a) Current tax		22,90,204	-
(b) Deferred tax		(1,53,94,778)	(33,77,239)
TOTAL TAX EXPENSES		(1,31,04,574)	(33,77,239)
PROFIT FOR THE PERIOD		8,02,56,724	4,57,03,571
Other Comprehensive Income			
(i) Items that will not be reclassified subsequently to profit or loss			
Re-measurement of the net defined benefit liability/assets		(20,91,299)	(16,67,627)
Less: Deferred Tax (Actuarial Gain / Loss)		6,98,159	5,51,368
(ii) Items that will be reclassified subsequently to profit or loss			
Total other comprehensive income		(13,93,140)	(11,16,259)
Total Comprehensive Income		7,88,63,584	4,45,87,312
Earnings per Equity Share - Basic & Diluted		6.01	3.40
Significant Accounting Policies	1		
Notes to Accounts	2		

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

For and on behalf of the Board of Directors of
Vijay Textiles Limited
CIN : L18100TG1990PLC010973

Sd/-
Dayaniwas Sharma
Partner
Membership No:216244

Place: Hyderabad
Date: 29th May, 2018

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

R. Malhotra
Finance Director & CFO
DIN:05242639

Sd/-
Susheel Kumar Gupta
Executive Director
DIN:00362714

S. Nagarajan
Company Secretary
M.No:2532

**CASH FLOW STATEMENT FOR THE
YEAR ENDED 31ST MARCH, 2018**



TEXTILES LIMITED

Particulars	For the Year 2017-2018		For the Year 2016-2017	
	₹	₹	₹	₹
A. Cash Flow From Operating Activities				
Net Profit Before Tax And Extraordinary Items		6,71,52,150		4,23,26,332
Adjustment For				
Depreciation	7,00,55,001		7,42,03,436	
Interest	20,63,84,160		20,42,02,524	
Interest unwinding	11,64,672		13,72,033	
Preference dividend unwinding	1,32,61,219		1,20,58,652	
Actuarial gain/loss	(20,91,299)		(16,67,627)	
Loss On Sale Of Fixed Assets	51,877		1,51,074	
Profit On Sale Of Fixed Assets	(3,27,681)		(4,67,035)	
Preference Dividend	5,27,600		5,27,600	
Dividend Distribution Tax	1,08,450		1,07,419	
Interest Received	(4,64,162)		(4,82,045)	
Interest Subsidy Received	-		(11,09,516)	
Finance Income on preference share	(1,32,61,219)		(1,20,58,652)	
Provision for Employee benefits	43,07,189		44,08,485	
		27,97,15,807		28,12,46,348
Operating Profit Before Working Capital Changes		34,68,67,957		32,35,72,680
Adjustment For				
(Increase)/Decrease in Trade Receivables	(3,03,86,528)		(4,54,28,377)	
(Increase)/Decrease in Inventories	(20,76,94,148)		(19,76,09,431)	
(Increase)/Decrease in other Financial assets	6,14,769		(4,52,882)	
(Increase)/Decrease in other current assets	2,00,20,560		(2,73,99,198)	
Increase/(Decrease) in Trade Payables	(1,75,39,713)		99,02,821	
Increase/(Decrease) in Other Financial Liabilities	2,91,762		4,39,00,147	
Increase/(Decrease) in Other Current Liabilities	48,71,184		1,86,393	
		(22,98,22,114)		(21,69,00,527)
Cash Generated From Operations		11,70,45,843		10,66,72,153
Direct Taxes Paid		-		-
Net Cash Flow From Operating Activities (A)		11,70,45,843		10,66,72,153

**CASH FLOW STATEMENT FOR THE YEAR
ENDED 31ST MARCH, 2018 (CONTD.)**



TEXTILES LIMITED

Particulars	For the Year 2017-2018		For the Year 2016-2017	
	₹	₹	₹	₹
B. Cash Flow From Investing Activities				
Purchase of Fixed Assets	(2,80,07,892)		(1,77,41,676)	
Deletions from Fixed Assets	31,68,381		22,37,129	
Increase/(Decrease) in Other non current asset	(1,07,648)		(10,46,344)	
Interest Received	4,75,445		15,69,550	
Net Cash Used In Investing Activities (B)		(2,44,71,714)		(1,49,81,341)
C. Cash Flow From Financing Activities				
Increase/(Decrease) In Short Term Borrowings	(10,74,769)		11,04,03,224	
Increase/(Decrease) In Long Term Borrowings	12,00,86,764		(5,20,54,214)	
Proceeds From Equity Share Capital	-		1,62,50,000	
Securities premium received	-		3,25,00,000	
Interest Paid	(20,86,17,055)		(19,50,71,192)	
Finance Charges	(36,73,970)		(66,07,110)	
Preference Dividend paid	(6,35,019)		-	
Net Cash Used In Financing Activities (C)		(9,39,14,049)		(9,45,79,292)
Net Increase/ (Decrease) In Cash And Cash Equivalents (A+B+C)		(13,39,920)		(28,88,480)
Opening Cash And Cash Equivalents		39,50,575		68,39,055
Closing Cash And Cash Equivalents		26,10,655		39,50,575

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

For and on behalf of the Board of Directors of
Vijay Textiles Limited
CIN : L18100TG1990PLC010973

Sd/-
Dayaniwas Sharma
Partner
Membership No:216244

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

Sd/-
Susheel Kumar Gupta
Executive Director
DIN:00362714

Place: Hyderabad
Date: 29th May, 2018

R. Malhotra
Finance Director & CFO
DIN:05242639

S. Nagarajan
Company Secretary
M.No:2532

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	(₹)
EQUITY SHARE CAPITAL :	
Balance as at 1 April, 2015	11,50,02,689
Changes in equity share capital during the year	-
Balance as at 31 March, 2016	11,50,02,689
Balance as at 1 April, 2016	11,50,02,689
Changes in equity share capital during the year	1,62,50,000
Balance as at 31 March, 2017	13,12,52,689
Balance as at 1 April, 2017	13,12,52,689
Changes in equity share capital during the year	-
Balance as at 31 March, 2018	13,12,52,689

OTHER EQUITY

Particulars	Securities Premium Reserve	General Reserve	Retained Earnings	Capital reserve	Equity Instruments through other comprehensive income	Other comprehensive income	Total Other Equity
Balance as on 31 March, 2016 (As per IGAAP)	19,43,12,510	31,52,61,541	(11,28,22,343)	1,70,00,000	-	-	41,37,51,708
<u>IND AS Adjustments:</u>							
Unamortized cost of bank borrowings			41,48,827				41,48,827
Actuarial Gain / Loss			2,08,757			(2,08,757)	-
Deferred Tax on adjustments			(1,36,74,270)			69,021	(1,36,05,249)
Balance as on 01 April, 2016 (As per IND AS)	19,43,12,510	31,52,61,541	(12,21,39,029)	1,70,00,000	-	(1,39,736)	40,42,95,286
Balance as on 1 April, 2016 (As per IND AS)	19,43,12,510	31,52,61,541	(12,21,39,029)	1,70,00,000	-	(1,39,736)	40,42,95,286
Profit and loss during period			4,57,03,571				4,57,03,571

NOTES TO FINANCIAL STATEMENTS



TEXTILES LIMITED

Particulars	Securities Premium Reserve	General Reserve	Retained Earnings	Capital reserve	Equity Instruments through other comprehensive income	Other comprehensive income	Total Other Equity
Add : Premium on Shares issued during the year	3,25,00,000						3,25,00,000
Actuarial Gain / Loss				-		(16,67,627)	(16,67,627)
Deferred Tax on adjustments						5,51,368	5,51,368
Balance as on 31 March, 2017	22,68,12,510	31,52,61,541	(7,64,35,458)	1,70,00,000	-	(12,55,995)	48,13,82,598
Balance as on 1 April, 2017	22,68,12,510	31,52,61,541	(7,64,35,458)	1,70,00,000	-	(12,55,995)	48,13,82,598
Profit and loss during period			8,02,56,724				8,02,56,724
Actuarial Gain / Loss						(20,91,299)	(20,91,299)
Deferred Tax on adjustments						6,98,159	6,98,159
Balance as on 31 March, 2018	22,68,12,510	31,52,61,541	38,21,266	1,70,00,000	-	(26,49,135)	56,02,46,182

In terms of our report attached for LAXMINIWAS & CO

Chartered Accountants
Firm's Registration Number:011168 S

Sd/-

Dayaniwas Sharma

Partner

Membership No:216244

For and on behalf of the Board of Directors of

Vijay Textiles Limited

CIN : L18100TG1990PLC010973

Sd/-

Vijay Kumar Gupta

Chairman & Managing Director

DIN:01050958

Susheel Kumar Gupta

Executive Director

DIN:00362714

R. Malhotra

Finance Director & CFO

DIN:05242639

S. Nagarajan

Company Secretary

M.No:2532

Place: Hyderabad

Date: 29th May, 2018

NOTE 3 & 4 : PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS:

Particulars	Tangible Assets										Intangible Assets		Total	
	Land	Buildings	Leasehold Property	Plant and Machinery	Furniture and Fixtures	Computers	Office Equipment	Vehicles	Electrical Installations	Total	Purchased Software	Total		
Gross Block														
Deemed Cost as at 1 st April 2016	7,62,54,798	22,25,09,987	9,51,43,860	53,99,59,887	28,92,70,517	18,73,312	36,35,355	4,56,40,288	8,62,09,179	136,04,97,183	10,47,823	136,15,45,006		
Additions	-	-	-	5,20,941	2,85,490	3,12,810	14,500	1,63,35,587	92,735	1,75,62,063	1,79,613	1,77,41,676		
Disposals	-	-	-	-	-	-	-	69,20,316	-	69,20,316	-	69,20,316		
Balance as at 31 st March 2017	7,62,54,798	22,25,09,987	9,51,43,860	54,04,80,828	28,95,56,007	21,86,122	36,49,855	5,50,55,559	8,63,01,914	137,11,38,930	12,27,436	137,23,66,366		
Additions	-	63,41,180	-	2,88,358	3,49,067	1,28,053	1,67,986	1,89,35,752	15,47,491	2,77,57,887	2,50,005	2,80,07,892		
Disposals	-	-	-	-	-	-	-	97,18,480	1,14,405	98,32,885	-	98,32,885		
Balance as at 31 st March 2018	7,62,54,798	22,88,51,167	9,51,43,860	54,07,69,186	28,99,05,074	23,14,175	38,17,841	6,42,72,831	8,77,35,000	138,90,63,932	14,77,441	139,05,41,373		
Accumulated Depreciation														
Balance as at 1 st April 2016	-	4,90,01,893	2,99,99,675	18,37,87,062	16,77,77,399	14,92,126	34,16,064	1,71,17,344	4,90,99,031	50,16,90,594	9,75,016	50,26,65,610		
Depreciation charge for the year	-	66,80,741	38,97,318	1,91,83,941	2,83,47,593	1,62,374	28,563	51,81,923	1,06,50,901	7,41,33,354	7,00,82	7,42,03,436		
Reversal on disposals	-	-	-	-	-	-	-	49,99,148	-	49,99,148	-	49,99,148		
Balance as at 31 st March 2017	-	5,56,82,634	3,38,96,993	20,29,71,003	19,61,24,992	16,54,500	34,44,627	1,73,00,119	5,97,49,932	57,08,24,800	10,45,098	57,18,69,898		
Depreciation charge for the year	-	67,68,659	38,97,318	1,91,86,941	2,55,42,153	2,16,575	32,075	61,07,185	8,212,560	6,99,63,466	91,535	7,00,55,001		
Reversal on disposals	-	-	-	-	-	-	-	69,07,780	32,528	69,40,308	-	69,40,308		
Balance as at 31 st March 2018	-	6,24,51,293	3,77,94,311	22,21,57,944	22,16,67,145	18,71,075	34,76,702	1,64,99,524	6,79,29,964	63,38,47,958	11,36,633	63,49,84,591		
Net Block														
Balance as at 31 st March 2018	7,62,54,798	16,63,99,874	5,73,49,549	31,86,11,242	6,82,37,929	4,43,100	3,41,139	4,77,73,307	1,98,05,036	75,52,15,974	3,40,808	75,55,56,782		
Balance as at 31 st March 2017	7,62,54,798	16,68,27,353	6,12,46,867	33,75,09,825	9,34,31,015	5,31,622	2,05,228	3,77,55,440	2,65,51,982	80,03,14,130	1,82,338	80,04,96,468		
Balance as at 1 st April 2016	7,62,54,798	17,35,08,094	6,51,44,185	35,61,72,825	12,14,93,118	3,81,186	2,19,291	2,85,22,944	3,71,10,148	85,88,06,589	72,807	85,88,79,396		

Notes: On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1 April 2016 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

Particulars	As at	As at	As at
	31.03.2018	31.03.2017	01.04.2016
	₹	₹	₹

NOTE 5 : OTHER NON-CURRENT ASSETS

Unsecured, considered good

Deposits:

With Govt.Bodies	64,27,565	62,85,417	52,63,911
Other than Govt.Bodies			
Rent	1,69,81,000	1,69,81,000	1,69,81,000
With suppliers	4,70,133	5,04,633	4,79,795
TOTAL	2,38,78,698	2,37,71,050	2,27,24,706

NOTE 6 : INVENTORIES

(At lower of cost or net realisable value)

Raw-Material	7,25,88,872	6,55,87,452	6,22,32,272
Work- in- Progress	1,66,74,632	1,89,71,551	2,05,66,974
Finished Goods	118,64,26,927	98,50,63,302	78,85,54,290
Stores & Consumables	3,42,44,726	3,26,18,704	3,32,78,042
TOTAL	130,99,35,157	110,22,41,009	90,46,31,578

FINANCIAL ASSETS:

NOTE 7 : TRADE RECEIVABLES

Trade receivables	122,28,37,106	119,24,50,578	114,70,22,201
TOTAL	122,28,37,106	119,24,50,578	114,70,22,201

NOTE 8 : CASH AND CASH EQUIVALENTS

Cash on Hand	2,76,146	7,97,170	3,23,273
Bank Balance with Scheduled Banks			
- In Current Accounts	10,35,337	17,66,251	49,90,292
- In Unclaimed Dividend Accounts (Refer Note a)	1,95,702	3,57,537	5,70,230
- In Term Deposit Account (Refer Note b)	11,03,470	10,29,617	9,55,260
TOTAL	26,10,655	39,50,575	68,39,055

Notes:

- During the year an amount of ₹1,58,807/- pertaining to the year 2019-10 (Previous Year an amount of ₹2,12,566/- pertaining to the year 2008-09) was transferred to Investor Education and Protection Fund (IEPF).
- Term deposits are held as margin money against Bank Guarantees.

Particulars	As at 31.03.2018 ₹	As at 31.03.2017 ₹	As at 01.04.2016 ₹
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NOTE 9 : OTHER FINANCIAL ASSETS

Interest Receivable	3,82,103	3,93,386	3,71,375
Receivable against cancellation of Tech-Park Project	20,29,91,933	20,29,91,933	20,29,91,933
Other Current Assets	1,03,245	7,06,731	2,75,860
TOTAL	20,34,77,281	20,40,92,050	20,36,39,168

NOTE 10 : OTHER CURRENT ASSETS

Advances for Supplies and Services	30,06,976	2,16,099	3,98,713
Pre - Paid Expenses	52,55,284	46,29,008	26,94,783
Other Advances	-	2,50,00,000	-
Income Tax Receivable	1,97,86,207	1,97,86,207	1,92,03,614
Loans and Advances to Employees	7,17,445	5,16,899	4,83,649
Other Advances	-	-	10,000
Other Current Assets	7,67,026	71,259	7,504
TOTAL	2,95,32,938	5,02,19,472	2,27,98,263

NOTE 11 : EQUITY 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	20,00,00,000
TOTAL	20,00,00,000	20,00,00,000	20,00,00,000

Issued, Subscribed and Paid-Up Capital

1,31,25,000 (Previous Year : 1,31,25,000) Equity Shares of ₹10/- each	13,12,50,000	13,12,50,000	11,50,00,000
Share Forfeiture	2,689	2,689	2,689
TOTAL	13,12,52,689	13,12,52,689	11,50,02,689

Notes:

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

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Equity Shares						
At the beginning of the period	1,31,25,000	13,12,50,000	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	1,31,25,000	13,12,50,000	1,15,00,000	11,50,00,000

(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.

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

Name of the Shareholder	As at 31st March, 2018		As at 31st March, 2017	
	Number of Shares	%	Number of Shares	%
Equity Share of ₹ 10/- each held by				
1. Vijay Kumar Gupta	44,98,016	34.27	44,98,016	34.27
2. Susheel Kumar Gupta	28,04,699	21.37	28,04,699	21.37

NOTE 12 : BORROWINGS

Particulars	As at	As at	As at
	31.03.2018	31.03.2017	01.04.2016
	₹	₹	₹
A. Secured			
Term Loan From Banks (Refer Note I)	36,40,49,358	52,42,93,569	68,31,00,986
Vehicle Loans (Refer Note II)	1,12,34,539	2,17,73,891	73,53,655
Sub-Total	37,52,83,897	54,60,67,460	69,04,54,641
B. Unsecured			
Loans and Advances from other related parties (Refer Note III)	73,97,00,000	44,76,65,000	35,39,60,000
52,76,000 (Previous Year :52,76,000) 0.10% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 100/- each (Refer Note IV)	15,15,27,584	13,82,66,365	12,62,07,713
Sub-Total	89,12,27,584	58,59,31,365	48,01,67,713
TOTAL	126,65,11,481	113,19,98,825	117,06,22,354

Notes:

- (I) Term Loans from banks namely State Bank of India and Axis Bank Limited, are secured by :
- First pari-passu charge on all the immovable and movable Fixed Assets present and future of the Company.
 - Second pari-passu charge on all the current assets of the Company (excluding credit card receivables).
 - Further the terms loans are collaterally secured by;
 - 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.
 - Pledge of entire shares held by Promoters i.e. Shri Vijay Kumar Gupta, Shri Susheel Kumar Gupta, Smt. Shashikala Gupta.
 - 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.
 - Term -II and FITL-II of State Bank of India is secured by exclusive charge on credit card receivables and collateral security as pari-passu first charge on the fixed assets of the Company present and future.

Terms of Repayment:

- I State Bank of India - Term Loan -I,II ,III and IV repayable in 43 monthly instalments . Amount repayable during the calendar year, 2018 ₹42.15 Lakhs and during the period 2019 to 2021 ₹72.25 Lakhs per annum, commencing from 31st July, 2015, presently interest @10.60% p.a. under 1 year MCLR based lending rate with annual reset.

- 2 State Bank of India - Funded Interest Term Loan - repayable in 43 monthly instalments . Amount repayable during the calendar year 2018 ₹7.54 Lakhs and during period 2019 to 2021 ₹12.92 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 31 monthly instalments. Amount repayable during the calendar year 2018 ₹114.65 Lakhs and during the period 2018 to 2020 ₹196.54 Lakhs per annum commencing from 31st July, 2015, presently bearing interest @10.60% p.a. under 1 year MCLR based lending rate with annual reset.
- 4 State Bank of India - Priority Debt Term Loan - repayable in 25 monthly instalments. Amount repayable during the calendar year 2018 ₹40.13 Lakhs, during the period 2019 ₹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 @10.60% p.a. under 1 year MCLR based lending rate with annual reset.
- 5 State Bank of India - Term Loan -I,II ,III and IV repayable in 45 monthly instalments . Amount repayable during the calendar year 2018 ₹575.91 Lakhs and during the period 2019 to 2021 ₹767.88 Lakhs per annum, commencing from 31st July, 2015, presently bearing interest @11.35% p.a. under 1 year MCLR based lending rate.
- 6 State Bank of India - Funded Interest Term Loan repayable in 45 equal monthly instalments. Amount repayable during the calendar year 2018 ₹102.42 Lakhs and during the period 2019 to 2021 ₹136.56 Lakhs per annum commencing from 31st July, 2015, presently bearing interest @11.80% p.a. under 1 year MCLR based lending rate.
- 7 State Bank of India -Working Capital Term Loan repayable in 33 monthly instalments Amount repayable during the calendar year, 2018 ₹40.95 Lakhs and during the period 2019 to 2020 ₹54.60 Lakhs per annum commencing from 31st July, 2015, presently bearing interest @11.35% p.a. under 1 year MCLR based lending rate.
- 8 State Bank of India - Priority Debt Loan repayable in 27 monthly instalments .Amount repayable during the calendar year 2018 ₹69.03 Lakhs, during the calendar year 2019 ₹92.04 Lakhs per annum and for the calendar year 2020 ₹46.02 Lakhs per annum commencing from 31st July, 2015, presently bearing interest @11.35% p.a. under 1 year MCLR based lending rate.
- 9 Axis Bank Limited - Term Loan is repayable in 45 monthly instalments. Amount repayable during the financial year 2018-2019 ₹43.20 Lakhs and during the period 2019 -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 @ 11.25% p.a. under 3 months MCLR based lending rate.
- 10 Axis Bank Limited - Funded Interest Term Loan repayable in 45 monthly instalments. Amount repayable during the financial year 2018-2019 ₹7.80 Lakhs and during the period 2021 to 2022 ₹5.85 Lakhs per annum commencing from 31st July, 2015, presently bearing interest @ 11.25% p.a. under 3 months MCLR based lending rate.
- 11 Axis Bank Limited - Working Capital Term Loan repayable in 33 monthly instalments. Amount repayable during the financial year 2018-2019 ₹9.28 Lakhs and during the period 2019-2020 ₹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 @ 11.25% p.a. under 3 months MCLR based lending rate.
- 12 Axis Bank Limited - Priority Debt Loan repayable in 27 monthly instalments. Amount repayable during the financial 2018-2019 ₹39.24 Lakhs and during the period 2020 to 2021 ₹9.81 Lakhs per annum commencing from 31st July, 2015, presently bearing interest @ 11.25% 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 instalments 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 instalments of ₹0.92 Lakhs each inclusive of interest ending on 5th May, 2018.
- 3 Loan availed from HDFC Bank Ltd., under Loan Account No.33510349 is repayable in monthly instalments of ₹0.55 Lakhs each inclusive of interest ending on 5th July, 2018.
- 4 Loan availed from HDFC Bank Ltd., under Loan Account No.33510860 is repayable in monthly instalments of ₹0.55 Lakhs each inclusive of interest ending on 5th July, 2018.
- 5 Loan availed from Toyota Financial Services India Ltd., under Loan Account No. NHYD1055446 is repayable in monthly instalments of ₹0.37 Lakhs each inclusive of interest ending on 20th October,2018.
- 6 Loan availed from Toyota Financial Services India Ltd., under Loan Account No. NHYD1055447 is repayable in monthly instalments 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. NHYD1090946 is repayable in monthly instalments of ₹3.23 Lakhs each inclusive of interest ending on 10th December, 2020.
- 8 Loan availed from Tata Capital Financial Services Limited , under Loan Account No. 7000351893 is repayable in monthly instalments of ₹0.68 Lakhs each inclusive of interest ending on 15th April, 2019.
- 9 Loan availed from Tata Capital Financial Services Limited , under Loan Account No. 7000352936 is repayable in monthly instalments of ₹0.29 Lakhs each inclusive of interest ending on 15th April, 2019.
- 10 Loan availed from Tata Capital Financial Services Limited , under Loan Account No. 7000419830 is repayable in monthly instalments of ₹1.05 Lakhs each inclusive of interest ending on 3rd May, 2020.
- 11 Loan availed from Tata Capital Financial Services Limited , under Loan Account No. 7000419833 is repayable in monthly instalments of ₹0.99 Lakhs each inclusive of interest ending on 3rd May, 2020.
- 12 Loan availed from Axis Bank Limited, under Loan Account No. AUR00802926194 is repayable in monthly instalments of ₹0.98 Lakhs each inclusive of interest ending on 10th February, 2021.
- 13 Loan availed from Yes Bank Limited, under Loan Account No. ALN000600122083 is repayable in monthly instalments of ₹0.79 Lakhs each inclusive of interest ending on 15th July, 2019.

III) Unsecured Loans From Related Parties:

- 1 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.

IV) Non-Convertible Cumulative Redeemable 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

1 The Company has 52,76,000 Non-Convertible Cumulative Redeemable Preference Shares having a par value of ₹100/- each per share (Previous Year : ₹100/- each). On the date of transition 1st April, 2016, as per IND AS 109 "Financial Instrument" such class of Preference shares are to be re-classified as financial liability and recognized at Amortized cost by Effective rate of interest (on the basis of weighted average cost of capital as on transition date) by considering estimated future cash outflows.

PARTICULARS	As at	As at	As at
	31.03.2018	31.03.2017	01.04.2016
	₹	₹	₹

NOTE 13 : DEFERRED TAX LIABILITIES (NET)

At the beginning of the year	10,61,83,314	11,01,11,921	9,65,06,672
Provision for the year	(1,60,92,937)	(39,28,607)	1,36,05,249
Closing Balance	9,00,90,377	10,61,83,314	11,01,11,921

NOTE 14 : OTHER NON-CURRENT LIABILITY

Preference Share-Debt Component (Refer Note:9.IV)	37,60,72,416	38,93,33,635	40,13,92,287
Closing Balance	37,60,72,416	38,93,33,635	40,13,92,287

NOTE 15 : BORROWINGS

Working Capital Borrowings from Banks (secured)	67,59,19,082	67,42,48,181	56,65,90,627
Credit balance of Current Account	-	27,45,670	-
TOTAL	67,59,19,082	67,69,93,851	56,65,90,627

Notes :

Working Capital facilities availed by the Company from State Bank of India and Axis Bank Limited are carrying interest rate ranging from 10.45% to 11.55% and are secured by:

- (a) Pari-Passu first charge on all chargeable current assets of the Company in favour of State Bank of India and Axis Bank Limited (excluding credit card receivables, which are charged to State Bank of India alone and are separately dealt with herein).
- (b) Pari-Passu second charge on entire Fixed Assets of the Company, both present and future.

Further the Working Capital facilities are collaterally secured by :

- (c) Commercial space admeasuring 5108.75 sft, bearing shop Nos: 8,9,11 and 13, situated in Ground Floor, Surya Towers, 104, S.P. Road, Secunderabad-500 003,standing in the names of Shri Vijay Kumar Gupta, Shri Vijay Kumar Gupta (HUF), Shri Susheel Kumar Gupta and Smt. Shashikala Gupta.
- (d) Pledge of entire shares held by Promoters i.e. Shri Vijay Kumar Gupta, Shri Susheel Kumar Gupta, Smt. Shashikala Gupta.
- (e) Personal Guarantees of Shri Vijay Kumar Gupta, Shri Vijay Kumar Gupta (HUF), Shri Susheel Kumar Gupta and Smt. Shashikala Gupta. Guarantee limited to the value of the security mortgaged.

PARTICULARS	As at	As at	As at
	31.03.2018	31.03.2017	01.04.2016
	₹	₹	₹

NOTE 16 : TRADE PAYABLES

(a) Due to micro and small enterprises	-	-	-
(b) Due to others	17,48,72,096	19,24,11,809	18,25,08,988
TOTAL	17,48,72,096	19,24,11,809	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	As at	As at
	31.03.2018	31.03.2017	01.04.2016
	₹	₹	₹
1. Principal amount due and remaining unpaid	Nil	Nil	Nil
2. Interest due on above and the unpaid interest	Nil	Nil	Nil
3. Interest paid	Nil	Nil	Nil
4. Payment made beyond the appointed day during the year	Nil	Nil	Nil
5. Interest due and payable for the period of delay	Nil	Nil	Nil
6. Interest accrued and remaining unpaid	Nil	Nil	Nil
7. Amount of further interest remaining due and payable in succeeding years	Nil	Nil	Nil

PARTICULARS	As at	As at	As at
	31.03.2018	31.03.2017	01.04.2016
	₹	₹	₹
NOTE 17 : OTHER FINANCIAL LIABILITIES			
Term Loan instalments due less than 12 months	15,45,08,320	18,37,19,597	14,78,29,352
Vehicle Loan instalments due less than 12 months	93,37,128	18,59,927	85,97,054
Interest Accrued and Due on Borrowings	49,89,789	1,08,96,655	83,72,432
Unclaimed Dividend	1,95,702	3,53,785	5,66,535
Other Liabilities	8,01,74,776	5,79,90,855	4,30,31,077
TOTAL	24,92,05,715	25,48,20,819	20,83,96,450

Note: Please refer to notes under Note:9 for details of repayment of loans and securities charged to the lenders.

NOTE 18 : OTHER CURRENT LIABILITIES

Other Liabilities	1,01,66,081	52,93,866	44,72,454
TOTAL	1,01,66,081	52,93,866	44,72,454

NOTE 19 : PROVISIONS

Provision for Bonus	18,66,279	16,02,196	12,88,635
Provision for Leave Encashment	19,89,332	17,72,148	14,31,039
Provision for Incentives	6,09,497	7,26,356	1,56,154
Provision for Gratuity	73,91,877	34,49,096	2,65,483
TOTAL	1,18,56,985	75,49,796	31,41,311

NOTE 20 : INCOME TAX LIABILITIES (NET)

Current tax liabilities (net)	16,35,513	-	-
TOTAL	16,35,513	-	-

PARTICULARS	For the year 2017-18	For the year 2016-17
	₹	₹
NOTE 21 : REVENUE FROM OPERATIONS		
REVENUE FROM OPERATIONS :		
Cloth Sales - State	73,64,23,967	72,10,73,013
Cloth Sales - Int. State	33,65,92,691	43,75,51,113
Cloth Sales - Export	-	10,00,000
TOTAL	107,30,16,658	115,96,24,126

NOTE 22 : OTHER INCOME

Interest Received	4,64,162	4,82,045
Interest Subsidy Received	-	11,09,516
Job Work Charges Received	2,99,15,380	2,08,11,405
Miscellaneous Income	1,40,689	3,97,642
Profit on sales of assets	3,27,681	4,67,035
Finance income on preference share	1,32,61,219	1,20,58,652
TOTAL	4,41,09,131	3,53,26,295

Note: Please refer to notes under Note:9.IV for details of finance income on preference share.

NOTE 23 : COST OF RAW MATERIALS CONSUMED

Opening Stock	6,55,87,452	6,22,32,272
Add: Purchases	66,56,91,102	75,25,71,237
	73,12,78,554	81,48,03,509
Less: Closing Stock	7,25,88,872	6,55,87,452
Consumption	65,86,89,682	74,92,16,057

NOTE 24 : PACKING MATERIAL CONSUMED

Opening Stock	5,00,896	6,66,329
Add: Purchases	57,28,311	71,08,859
	62,29,207	77,75,188
Less: Closing Stock	10,97,555	5,00,896
Consumption	51,31,652	72,74,292

PARTICULARS	For the year 2017-18	For the year 2016-17
	₹	₹
NOTE 25 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
A. OPENING STOCK		
Finished Goods	98,50,63,302	78,85,54,290
Stock in Process	1,89,71,551	2,05,66,974
TOTAL (A)	100,40,34,853	80,91,21,264
B. CLOSING STOCK		
Finished Goods	118,64,26,927	98,50,63,302
Stock in Process	1,66,74,632	1,89,71,551
TOTAL (B)	120,31,01,559	100,40,34,853
Net (Increase)/Decrease in Stocks (A-B)	(19,90,66,706)	(19,49,13,589)

NOTE 26 : MANUFACTURING EXPENSES

Carriage & Freight	23,04,390	34,26,607
Consumption of Firewood	2,09,54,635	2,13,73,481
Power & Fuel	1,97,42,512	2,06,41,797
Consumption of Design & Development	29,00,849	38,27,271
Consumption of Stores & Consumables	78,95,865	75,69,369
Other Manufacturing Expenses	56,06,384	54,18,321
Effluent Treatment Plant Expenses	50,62,330	59,37,065
TOTAL	6,44,66,965	6,81,93,911

NOTE 27 : EMPLOYEE BENEFIT EXPENSES

Managerial Remuneration	1,03,20,000	1,03,20,000
Office Staff Salaries	1,82,57,319	1,70,82,116
Factory Wages & Salaries	3,06,84,323	2,71,70,268
Employees Benefit	48,15,435	49,29,923
Incentives	27,42,483	37,13,981
Gratuity expenses	18,51,482	15,15,986
Contribution to PF and E.S.I	53,42,680	49,18,970
TOTAL	7,40,13,722	6,96,51,244

PARTICULARS	For the year 2017-18	For the year 2016-17
	₹	₹
NOTE 28 : FINANCE COSTS		
Interest Charges	20,38,74,863	19,89,67,448
Dividend on redeemable Preference shares	6,36,050	6,35,019
Finance charge on preference share	1,32,61,219	1,20,58,652
Other borrowing Charges	34,19,723	63,89,913
Bank and Finance Charges	2,54,247	2,17,197
TOTAL	22,14,46,102	21,82,68,229

Note: Please refer to notes under Note:9.IV for details of finance charge on preference share.

NOTE 29 : OTHER EXPENSES

Rent	27,03,708	27,03,708
Lease Rental Charges	2,57,12,207	2,69,52,737
Rates, Taxes, Licences & Fees	48,63,813	68,94,432
Printing & Stationery	11,38,112	12,10,552
Postage & Telephones	23,13,987	32,98,812
Office Electricity & Water	1,26,51,931	1,20,96,854
Travelling & Conveyance	32,16,553	24,84,354
Advertisement & Publicity	4,10,993	35,52,926
Agents Commission	43,29,594	42,53,574
Selling Expenses	1,60,59,413	82,68,401
Insurance	26,35,606	27,62,320
Remuneration to Auditors :		
Audit Fees	3,50,000	4,02,500
Tax Audit Fees	1,00,000	1,15,000
Directors' Sitting Fees	1,95,000	2,23,000
Legal & Professional Charges	17,46,123	23,13,515
Repairs to Plant & Machinery	30,47,526	30,87,261
Repairs to Buildings	6,34,337	9,77,959
Repairs to Other Assets	49,02,683	52,53,363
Vehicle Maintenance	9,71,984	13,67,513
Miscellaneous Expenses	15,44,609	13,98,108
Loss on Sale of Fixed Assets	51,877	1,51,074
Donations	-	18,500
TOTAL	8,95,80,056	8,97,86,463

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ATTENDANCE SLIP

Vijay Textiles Limited

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

CIN: LI8100TG1990PLC010973. Tel No: 040-27848479, E-mail ID: info@vijaytextiles.in

**28th Annual General Meeting, Friday,
28th September, 2018 at 10.00 A.M**

DPId* :
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 28th Annual General Meeting of the Company, at J.S.Krishna Murthy Hall, The Federation of Telangana and Andhra Pradesh Chamber of Commerce & Industry, Federation House, 11-6-841, Red Hills, Hyderabad - 500004 at 10.00 A.M. on Friday, 28th September, 2018

** 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.

* 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

Registered Office: Surya Towers ,Ground Floor, 104, Sardar Patel Road, Secunderabad - 500 003.
CIN: LI8100TGI990PLC010973. Tel No: 040-27848479, E-mail ID: info@vijaytextiles.in

FORM NO: MGT-II

(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 : LI8100TGI990PLC010973)
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 28th Annual General Meeting of the Company, to be held on Friday, 28th September, 2018 10.00 A.M. at J.S. Krishna Murthy Hall. 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 31.03.2018.
- Re- Appointment of Shri Vijay Kumar Gupta, who retires by rotation.
- Declaration of Dividend for the financial year 31.03.2018.
- Ratification of payment of Remuneration to Cost Auditors
- Change in nomenclature of 0.10% Non-Convertible Cumulative Redeemable Preference Shares into 0.10% Convertible Cumulative Preference Shares and change of Authorised Share Capital.
- Increase of Authorised Share Capital and amendment of Clause V of the Memorandum of Association of the Company.
- Issue and allotment of Convertible Warrants to the Promoters (on conversion of 0.10% Convertible Cumulative Preference Shares) and others on Preferential Basis.

Signed this _____ day of _____ 2018

- 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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Vijay Textiles Limited

CIN: L18100TG1990PLC010973.

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

28th Annual General Meeting, Friday, 28th September, 2018 at 10.00 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 2017-2018		
2.	Re-appointment of Mr. Vijay Kumar Gupta, who retires by rotation		
3.	Declaration of Dividend for the financial year 2017-2018		
	Special Business:		
4.	Ratification of payment of Remuneration to Cost Auditors		
5.	Change in nomenclature of 0.10% Non-Convertible Cumulative Redeemable Preference Shares into 0.10% Convertible Cumulative Preference Shares and change of Authorised Share Capital.		
6.	Increase of Authorised Share Capital and amendment of Clause V of the Memorandum of Association of the Company.		
7.	Issue and allotment of Convertible Warrants to the Promoters (on conversion of 0.10% Convertible Cumulative Preference Shares) and others on Preferential Basis.		

**Member's/Proxy's Signature

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Route Map to AGM Venue



Printed Matter

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