

20th Annual Report 2009-10



Vijay TEXTILES LIMITED

TEXTILES

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INFRASTRUCTURE PROJECTS



Our Upcoming Tech-Park Project at Hi-tec City, Hyderabad

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Vijay Kumar Gupta : Chairman and Managing Director

Susheel Kumar Gupta : Executive Director

M. Srikanth Reddy

K. Srinivas Reddy

K. Bhupal Reddy

Sanjeev Kumar Agarwal

(From 7th August,2010)

Company Secretary

S. Nagarajan

Statutory Auditors

M/s. Laxminiwas & Jain

Chartered Accountants

5-4-726, Station Road, Nampally

Hyderabad - 500 001

Internal Auditors

M/s. Laxminiwas Neeth & Co

Chartered Accountants,

402, 4th Floor,

Moghul's Court, Basheerabagh,

Hyderabad - 500 001

Bankers

State Bank of India

Industrial Finance Branch

Somajiguda

HYDERABAD - 500 082

Axis Bank Limited

Begumpet

Hyderabad-500 016

Central Bank of India

Ranigunj Branch,

Secunderabad-500003.

Registrars & Transfer Agents

M/s. Aarthi Consultants Private Limited

1-2-285, Domalguda

Hyderabad-500 029

Factory:

Survey No: 139 to 141 & 143

Village Rajapoor, Mandal: Balanagar,

District: Mahaboobnagar

Andhra Pradesh

Wholesale Depot:

Plot No: 46, Road: 12

APIIC, Katedan,

Hyderabad - 500077

Retail Show Rooms:

1. Surya Towers,
Ground Floor,
104, Sardar Patel Road
Secunderabad - 500003
2. 6-3-852/3,
Near Lal Bungalow,
Ameerpet,
Hyderabad - 500016
3. 2-22-306/A/2, Plot No: 6 & 7
Survey No: 178 & 179,
Bhagyanagar Colony, Phase-II,
Kukatpally, Hyderabad - 500072.
4. D.No:23-27/A, Sy No.127 & 130/1,
Kothapet, Dilsukhnagar,
Hyderabad - 500060.
5. D.No :19-94/1, Sy No : 466,
Housing Colony, A.S.Rao Nagar,
Secunderabad - 500062.

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of **VIJAY TEXTILES LIMITED** will be held on Saturday, the 25th September, 2010 at 11.00 A.M. at Surana Udyog Auditorium, The Federation of A P Chamber of Commerce & Industry, Federation House, 11-6-841, Red Hills, Hyderabad -500004 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit & Loss Account for the year ended 31st March, 2010 along with the Auditors' Report and Director's Report thereon.
2. To declare Dividend on the Equity Shares of the Company for the year ended 31st March, 2010.
3. To appoint a Director in the place of Shri K. Srinivas Reddy, who retires by rotation and being eligible offers himself for re-appointment.
4. To consider re-appointment of M/s. Laxminiwas & Jain, Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Shri Sanjeev Kumar Agarwal, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company subject to retirement

by rotation under the provisions of Articles of Association of the Company".

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

"RESOLVED THAT pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the Memorandum and Articles of Association of the Company and the subsisting guidelines/regulations prescribed by the Government of India/Reserve Bank of India (RBI)/Securities and Exchange Board of India (SEBI) or any other relevant authority, to the extent applicable and subject to such approvals, consents, permissions and sanctions, as may be stipulated by any of them while granting such approvals, consents, permissions and sanctions, consent of the members, be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) to issue, offer and allot not exceeding 50,00,000 (Fifty Lakhs Only) warrants on preferential basis, Convertible into 50,00,000 (Fifty Lakhs Only) Equity Shares of the Company of the face value of Rs. 1/- each, for cash which shall upon conversion rank pari passu with the existing equity shares of the Company, to Promoters, in one or more tranches, in such form and manner and upon such terms and conditions as the Board may in its absolute discretion deem fit, at a price not exceeding Rs.5/- (Rupees Five only) subject to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 or such other regulations as may be applicable in this behalf and the relevant date for calculating the SEBI price being 26th August 2010".

RESOLVED FURTHER THAT each warrant be convertible into one equity share within a period

of 18 months from the date of its allotment and on such other terms and conditions, subject to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 or such other regulations as may be applicable from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to take all such actions and to give all such directions as may be necessary or desired and to accept any modifications in the above proposal as may be required by the authorities involved and also settle any questions or difficulties that may arise in respect of offer, issue and allotment of warrants/equity shares and further to do all such acts and execute such deeds and documents and writing in connection with the issue of warrants/equity shares, as may be necessary".

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

Place : Secunderabad
Date : 7th August, 2010

S Nagarajan
Company Secretary

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

NOTES FOR MEMBERS ATTENTION:

1. A member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote on a poll instead of him self and the proxy need not be a member of the company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting.
2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
3. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
4. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold share in physical form are requested to write their Folio Number in the Attendance slip for attending the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
6. a. The Company has already notified Closure of the Register of Members and Transfer Books from 21st September,2010 to 25th September,2010 (both days inclusive) for determining the names of the Members eligible for dividend on Equity Shares, if declared at the Meeting.
b. The dividend on Equity Shares, if declared at the Meeting, will be paid on or after 21st September,2010 to those Members whose names shall appear on the Company's Register of Members on 20th September,2010 . In respect of Shares in

dematerialized form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories as at the end of business on 20th September, 2010.

7. a. In order to provide protection against fraudulent encashment of dividend warrants, Members who holds Shares in Physical form are requested to intimate the Company's Registrars and Transfer Agents, M/s. Aarthi Consultants Pvt Ltd., and the signature of the Sole/First joint holder, the following information to be incorporated on dividend warrants.
- (i) Name of the Sole/First joint holder and the Folio Number.
 - (ii) Particulars of Bank Account, viz :
 - a) Name of Bank.
 - b) Name of Branch
 - c) Complete address of the Bank with Pin Code Number.
 - d) Account type, weather Savings Account (SA) or Current Account (CA)
 - e) Bank Account Number
- b. Members who hold shares in dematerialized form may kindly note that their Bank Account details, as furnished by their Depositories of the Company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and Company will not entertain any direct request from such Members for deletion of or change such Bank Account details. Further, instructions, if any, already given by them in respect of Shares held in Physical form will not be automatically applicable to Shares held in electronic form. Members who wish to change such Bank Account details are

therefore requested to advise their Depository Participants about such change the complete details of Bank Account.

8. Members who hold shares in Physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the Shares Certificates to the Company's Registrars and Transfer Agents, M/s Aarthi Consultants Pvt Limited, for consolidation into a single folio.
9. Non-Resident Indian Members are requested to inform the Company's Registrars and Transfer Agents, M/s Aarthi Consultants Pvt Limited, immediately of :
 - a) The Change in the Residential status on return to India for permanent settlement.
 - b) The particulars of the Bank Account, maintained in India, with complete name, branch, account type, account number and address of Bank, with PIN Code Number, if not furnished earlier.
10. Members desirous of obtaining any information concerning the accounts/operations of the Company are requested to send their queries at least seven days before the date of the meeting, to the Company so that information required may be made available at the meeting.
11. The Shares of the Company continue to be listed on the Stock Exchange(s) at Mumbai and the Company has paid up to date all the listing fee's to the exchanges.

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

Place : Secunderabad
Date : 7th August, 2010
Registered Office :
Surya Towers, Ground Floor
104, Sardar Patel Road
Secunderabad - 500 003

S Nagarajan
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS ITEMS:**Item No : 5**

The Board of Directors of the Company has appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956 and Articles 94 of the Articles of Association of the Company, Shri Sanjeev Kumar Agarwal, as an Additional Director of the Company with effect from 7th August, 2010.

In terms of the provisions of Section 260 of the Act, Shri Sanjeev Kumar Agarwal, shall hold office up to the date to this Annual General Meeting. The Company has received notice from a member along with deposit of Rs.500/- as required by Section 257 of the Companies Act, 1956 signifying his intention to propose Shri Sanjeev Kumar Agarwal as a Director. According to Article 94 of the Articles of Association of the Company the Director shall be liable to retire by rotation.

Shri Sanjeev Kumar Agarwal, aged 39 years is an entrepreneur by profession and is actively engaged in pursuing his Software Training and Development business while being associated with Orbit IT Consulting Private Limited at Hyderabad. Prior to this he has been actively perusing family business of Cotton Ginning and Trading business where he has gained rich and varied experience; he continues to pursue this business with the present line of activity.

Our company will gain immensely from his long and varied and experience in diversified fields. He will be able to provide valuable guidance in business development and marketing segments alike by contributing his mite.

Save and except Shri Sanjeev Kumar Agarwal, none of other Directors of the Company is, in any way, concerned or interested in the resolution.

Your Directors' recommended the resolution for approval.

Item No: 6

Your Company is proposing to offer and issue not exceeding 50,00,000 warrants and each warrant convertible into one equity share of Re.1/- each fully paid, to the Promoters.

As per Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 the required details are furnished as under:

1. Object of the Issue

To augment the long term resources of the Company, raise funds for general corporate purposes including long term working capital requirements, your Board proposes to issue warrants, convertible into equity shares to the Promoters at a price not less than the average price calculated as per the SEBI Regulations.

2. Pricing

The issue of warrants on preferential basis shall be at a price not exceeding Rs.5/- (Rupees Five only) to the Promoters, subject to the SEBI Regulations (as may be applicable) in this behalf.

3. Payment & conversion terms

25% of the value of the Warrants will be paid together with application. The balance is payable at the time of conversion. In case the option is not exercised within a period of 18 months, the application money will be forfeited by the Company.

The warrants are converted at the option of the allottees on payment of the balance at any time during the period of 18 months.

4. Intention of Promoters / Directors / Key Management persons to subscribe to the offer

The Promoters, Directors and Key Management Persons are planning to subscribe to the issue of 50,00,000 warrants to the full extent.

5. Relevant Date

"Relevant Date" for this purpose is the date 30 days prior to the date of this Meeting of the Members of the Company, ie. 26th August, 2010.

6. Shareholding Pattern of the Company before and after the issue

The pattern of shareholding before and the one likely to emerge after the proposed allotment of conversion of warrants would be as under:

Category	Before the Issue		After the Issue	
	No. of Share	% of holding	No. of Share	% of holding
Promoter Group	5,22,78,971	45.46	5,72,78,971	47.73
NRIs/OCBs	4,58,059	0.40	4,58,059	0.38
Mutual Funds and UTI	–	–	–	–
Banks, Financial Institutions and Insurance Companies	1,50,00,000	13.04	1,50,00,000	12.50
Private Bodies Corporate	88,52,154	7.70	88,52,154	7.38
FII's	–	–	–	–
Others Clearing Members	18,118	0.02	18,118	0.02
General Public	3,56,92,698	31.04	3,56,92,698	29.74
Directors/Relatives/Associates (independent or not in control of the Company)	27,00,000	2.34	27,00,000	2.25
Total	11,50,00,000	100.00	12,00,00,000	100.00

After the allotment of warrants under Preferential Issue, the Promoters and associates holding will be increased to 49.98%.

7. Proposed time within which the allotment shall be complete

Allotment shall be completed within a period of period of fifteen days from the date of receipt of all the necessary regulatory approvals as per the SEBI Regulations.

8. The identity of the proposed allottees and the percentage of the preferential issue that may be held by them

Name of the party	Category	Pre Issue holding	% to Equity	Post Issue holding	% to Equity
Shri Vijay Kumar Gupta	Promoter & Director	2,93,66,674	25.54	3,43,66,674	28.64

9. Auditors' Certificate

A certificate, as required under SEBI Regulations, certifying that the proposed issue in accordance with the said Regulations has been obtained from the Auditors of the Company.

10. Lock-in

The Fully Convertible Warrants and equity shares to be allotted on preferential basis shall be subject to lock-in as per applicable SEBI Regulations in this behalf.

11. Change in Management

The issue of Convertible Warrants as aforesaid will not result in any change in the Management or Control of the Company. However, there will be a corresponding change in the shareholding pattern as well as the voting rights consequent to preferential allotment.

The Company is taking necessary steps to obtain the requisite approvals from Regulatory Agencies, as may be applicable, for the proposed investment.

As per the Listing Agreement entered into by the Company with various stock exchanges where the Company's equity shares are listed and the provisions of Section 81 (1A) of the Companies Act, 1956, provide inter alia that allotment of further shares, such shares shall be

first offered to the existing shareholders of the Company for subscription in proportion to their shareholding, unless the shareholder decide otherwise in a general meeting by a Special Resolution. As it is proposed to issue the shares to other than the existing shareholders of the Company, the above Resolutions are required to be passed. Hence, your Directors recommend the Resolutions for your approval.

None of the Directors of the Company is concerned or interested in the proposed resolution except to the extent of his/her holding of equity shares and to the extent of his/her subscribing to the fully convertible warrants

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

Place : Secunderabad
Date : 7th August, 2010

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 20th Annual Report and the Audited Statement of Accounts of the Company for the Financial Year ended 31st March 2010.

I. FINANCIAL RESULTS

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

	2009-2010	(Rs. in Lakhs) 2008-2009
Sales and Other Income	12201.08	11802.39
Net Profit for the year	528.65	641.81
Less: Taxation		
a. Income Tax - Earlier Years	(19.21)	0.03
b. Provision for Taxation - Current Year	89.51	139.90
c. Fringe Benefit Tax	-	8.03
d. Deferred Tax	87.28	84.73
Profit After Tax	371.07	409.12
Add: Profit brought forward from last year	810.44	1035.86
Total available for appropriations	1181.51	1444.98
Proposed Dividend	92.00	115.00
Corporate Tax on Dividend	15.63	19.54
Transfer to General Reserves	500.00	500.00
Balance carried forward to Balance Sheet	573.88	810.44

2. DIVIDEND

Your Directors have recommended a Dividend of 8% for the financial year ended 31st March, 2010, which if approved at forthcoming Annual General Meeting, will be paid to (i) all those Equity Shareholders whose names appear in the Register of Members as on 20th September, 2010 and (ii) to those whose names as beneficial owners are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of business on 20th September, 2010.

3. OPERATIONS

The sales and other income for the year were Rs.12201.08 Lakhs and net profit of Rs.528.65 Lakhs as compared to Rs. 11802.39 Lakhs of sales and other income and net profit of Rs.641.81 Lakhs achieved in the last financial year respectively. The marginal decrease in profit for the year is on account of increased cost of funds due to hardening of interest rates by banks and outgo on account of foreign exchange fluctuations outgo in Foreign Currency Demand Loans availed by your company.

Your company has opened its fourth & fifth Furnishing Mall in the twin cities of Hyderabad and Secunderabad at Dilsukhnagar and A.S. Rao Nagar on 25th June, 2009 and 21st September, 2009 respectively. These

malls are truly state of the art works having world class infrastructure that provides very congenial ambience to the clientele. The malls are very ideally located in the midst of rapidly developing upscale markets and offer the entire range of products of the company.

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

4. FUTURE PLANS

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

Your Company shall continue to harbor its plans for further retail expansion in other potential areas in the Twin Cities of Hyderabad and Secunderabad besides other metros in a phase manner.

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

Buoyed by success of its first embroidery venture for in house embroidery on its products, the company is now gearing up to expand the facility by setting up second phase of the embroidery facility. The company intends to import 9 more sets of embroidery machines from Japan in addition to its existing strength of 9 sets of machines and hope to commence operations of the new phase by October, 2010.

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

5. RESERVES

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

6. FIXED DEPOSITS

Your Company has not accepted or invited any Deposits and consequently no Deposits have matured/ become due for re-payment as on 31st March, 2010.

7. DIRECTORS

Pursuant to the provisions of the Section 260 of the Companies Act, 1956 and Article 94 of the Article of Association of the Company, Shri Sanjeev Kumar Agarwal was appointed as an Additional Director with effect from 7th August, 2010. Shri Sanjeev Kumar Agarwal would hold office up to the date of Annual

General Meeting . The Company has received a notice in writing from a member proposing the candidature of Shri Sanjeev Kumar Agarwal for the office of Director, liable to retire by rotation.

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

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

8. AUDITORS

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

9. COST AUDITORS:

The cost accounts records maintained by the Company for the products manufactured are subject to yearly audit by the qualified Cost Auditors. Your Company has appointed Shri. A.V.N.S. Nageswara Rao, a qualified Cost Auditors for conducting the audit of Cost Account records for financial year 2009-2010.

10. ENVIRONMENT AND HUMAN RESOURCE DEVELOPMENT

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

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

11. CORPORATE GOVERNANCE

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

12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

13. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements of Section 217(2 AA) of the Companies Act, 1956 and on the basis of explanation given by the executives of the Company and subject to disclosures in the Annual Accounts and also on the basis of discussions with the Statutory Auditors of the Company from time to time, we state as under:

- i. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- ii. That the Directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- iii. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. That the Directors had prepared the annual accounts on a going concern basis;

14. STATUTORY INFORMATION**A. Particulars of Employees:**

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

B. Conservation of Energy, Foreign Exchange etc.

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

15. INFORMATION UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

This information as required to be disclosed has been determined to the extent such parties have been identified on the basis of information available with the Company as stated under Notes on Accounts vide SL No :3 of Schedule 21 B.

16. EMPLOYEE RELATIONS

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

17. ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Place : Secunderabad
Date : 17th May 2010.

Vijay Kumar Gupta
Chairman & Managing Director

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

Disclosure of Particulars with respect to conservation of Energy:

		(Rs. in Lacs)
	31.03.2010	31.03.2009
I. Energy Conservation:		
A 1. Power & Fuel Consumption		
Electricity:		
a) Purchased:		
Units	29,12,747	20,66,585
Total amount (Rs.)	1,00,32,285	78,28,043
Units Rate (Rs.)	3.44	3.79
b) Own Generation		
Through Diesel Generator	34,560	44,032
Units	3.20	3.20
Units per ltr. of Diesel oil	11.38	11.48
Cost/Unit (Rs.)		
2. Coal used in Boiler		
Quantity (Tones)	Nil	Nil
Cost (Rs.)	Nil	Nil
Average Rate (Rs.)	Nil	Nil
3. Furnace Oil (HSD)		
Quantity (K. Ltr.)	Nil	Nil
Total Amount (Rs.)	Nil	Nil
Average Unit/Ltr	Nil	Nil
4. Others/Internal generation		
Quantity (Tones)	8839	7149
Total Cost	1,55,36,767	1,20,10,410
Average Rate (Rs.)	1758	1680
B Consumption per unit		
of production (Linear meter)		
Electricity	0.25	0.24
Furnace Oil	Nil	Nil
Coal (Kgs.)	Nil	Nil
Others(Firewood)(Kgs.)	0.75	0.83

2. Technology Absorption:

The Company has its In - house Design Department continuously develop innovative designs and to select the most suitable raw fabrics for dyeing / printing / processing.

3. Foreign Exchange earnings and outgo :

Earnings (Rs.)	1,71,43,885	1,69,82,345
Outgo (Rs.)	6,353	62,898

[Forming part of Annexure (2)]

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

Sl. No.	Name of the Employee	Age	Designation/ Nature of Duty	Gross Remuneration (Rs)	Qualifications	Experience In years	Date of Commencement of Employment	Particulars of last employment
01	Vijay Kumar Gupta	60	Managing Director	25,44,000	B.Com.	43	01.04.1990	Business

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

For and on behalf of the Board

Place : Secunderabad
Date : 17th May,2010

Vijay Kumar Gupta
Chairman & Managing Director

[Forming part of Annexure (3)]

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

Balance Sheet Abstract and Company's General Business Profile:

I. Registration Details

Registration No.

0	1	-	1	0	9	7	3
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 State Code

0	1
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Balance Sheet Date

3	1	-	0	3	-	2	0	1	0
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II. Capital raised during Year (Amount Rs. in Thousand)

Public Issue	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>					N	I	L	Rights Issue	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>					N	I	L
				N	I	L											
				N	I	L											
Private Placement	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>					N	I	L	Bonus Issue	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>					N	I	L
				N	I	L											
				N	I	L											
Preferential Issue	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>					N	I	L									
				N	I	L											

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

Total Liabilities

2	6	7	3	0	7	5
---	---	---	---	---	---	---

 Total Assets

2	6	7	3	0	7	5
---	---	---	---	---	---	---

SOURCE OF FUNDS

Paid-up Capital

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

Reserves & Surplus

	5	2	6	4	6	4
--	---	---	---	---	---	---

Secured Loans

1	6	2	1	3	7	8
---	---	---	---	---	---	---

Unsecured Loans

	3	2	0	0	6	7
--	---	---	---	---	---	---

Deferred Tax Liability

		9	0	1	6	6
--	--	---	---	---	---	---

APPLICATION OF FUNDS

Net Fixed Assets

	8	7	4	0	5	7
--	---	---	---	---	---	---

Capital Work in Progress

	7	7	0	8	9	2
--	---	---	---	---	---	---

Investments

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

Net Current Assets

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

Mis. Expenses

			4	5	3	3
--	--	--	---	---	---	---

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

Turnover (incl. Other Income)	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>2</td><td>2</td><td>0</td><td>1</td><td>0</td><td>8</td></tr></table>	1	2	2	0	1	0	8	Total Expenditure	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>1</td><td>6</td><td>7</td><td>2</td><td>4</td><td>3</td></tr></table>	1	1	6	7	2	4	3
1	2	2	0	1	0	8											
1	1	6	7	2	4	3											
Profit before Tax	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td>5</td><td>2</td><td>8</td><td>6</td><td>5</td></tr></table>		5	2	8	6	5	Profit after Tax	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td>3</td><td>7</td><td>1</td><td>0</td><td>7</td></tr></table>		3	7	1	0	7		
	5	2	8	6	5												
	3	7	1	0	7												
Earning per Share (Rs.)	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>0</td><td>.</td><td>3</td><td>2</td></tr></table>			0	.	3	2										
		0	.	3	2												

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

Item Code No.
(ITC Code)

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

Product Description

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

CERTIFICATE BY CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER

We, Shri Vijay Kumar Gupta, Chief Executive Officer and Shri S. Nagarajan, Chief Financial Officer of Vijay Textiles Limited, to the best of my knowledge and belief, certify that:

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

Place : Secunderabad
Date : 17th May, 2010

S. Nagarajan
Chief Financial Officer

Vijay Kumar Gupta
Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE, DEVELOPMENTS AND PERFORMANCE:

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

Besides, the company has also ventured into development of infrastructure projects under the Industrial Park Scheme,2002 of the Government of India. Since the projects in this segment enjoy besides other incentives, a tax holiday of 10 years, the company foresees a good potential in improving its profitability to considerable extent by deriving income from this project. The first of such projects bought out by the company is expected to be ready for leasing to IT companies in the second half of the ensuing financial year 2010-11.

OPPORTUNITIES & THREATS:

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

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

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

OUTLOOK

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

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

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

RISKS & CONCERNS

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

INTERNAL CONTROL SYSTEM & ADEQUACY

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

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

There are no material developments in the Human Resources area. The Industrial relations have been considered to be satisfactory. The Company constantly reviews the man power requirements and effective steps are being taken to meet the requirements. The total number of people directly and indirectly employed by the Company is 425.

DISCUSSION ON FINANCIAL PERFORMANCE

The Company achieved a gross turnover of Rs.12002.69 Lakhs during the year. This amounts to a 4.37% growth over the previous year. The Profit before Tax is Rs.528.65 Lakhs and Profit after Tax is Rs.371.07 Lakhs for the year.

NOTE

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

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

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2009-2010:

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

1. Company's Philosophy on Code of Governance:

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

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

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

The following is a report on the corporate governance.

2. Board of Directors

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

Name	Category	No. of Board Meetings during the period		Attendance of the last AGM held on 24.09.09	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	7	7	Present	-	1	1	1
Susheel Kumar Gupta	P/ED	7	7	Present	-	-	-	-
M Srikanth Reddy	NED/ID	7	7	Present	-	3	-	-
K Srinivas Reddy	NED/ID	7	7	Present	-	3	2	1
K Bhupal Reddy	NED/ID	7	7	Present	-	-	-	-

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

NED/ID : Non-Executive Director/Independent Director

C : Chairman, M : Member

d. Reappointment of Retiring Director(s):

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

Shri K. Srinivas Reddy:

Shri K. Srinivas Reddy, aged about 75 years has wide experience in the field of finance, accounts and corporate planning .He also holds Directorship of other Companies advising corporate matters and financial planning.

Names of the companies in which he is a Director are Hyderabad Race Club, Suryalata Spinning Mills Limited and Surya Kiran International Limited.

Shri Sanjeev Kumar Agarwal :

Shri Sanjeev Kumar Agarwal, aged 39 years is an entrepreneur by profession and is actively engaged in pursuing his Software Training and Development business while being associated with Orbit IT Consulting Private Limited at Hyderabad. Prior to this he has been actively perusing family business of Cotton Ginning and Trading business where he has gained rich and varied experience; he continues to pursue this business with the present line of activity.

Our company will gain immensely from his long and varied and experience in diversified fields. He will be able to provide valuable guidance in business development and marketing segments alike by contributing his mite

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

29th June, 2009: 20th July, 2009 : 24th September, 2009: 7th October, 2009: 24th October, 2009
6th January, 2010: 29th January, 2010.

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

3. Audit Committee

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

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

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

The constitution of the Audit committee is as follows:

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

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

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

29th June, 2009 ; 20th July, 2009 : 24th October, 2009 : 29th January, 2010.

Meetings and attendance during the year

There were four meetings of the Audit Committee during the year 2009-2010.

The attendance of each Member of the Committee is given below:

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

The Statutory Auditors and Internal Auditors of the Company have also attended the above meetings on invitation. The recommendations made by the Audit Committee from time to time have been followed by

the Company. The Chairman of the Audit Committee has attended the Annual General Meeting to answer the queries raised by the Shareholders regarding Audit and Accounts.

4. REMUNERATION COMMITTEE:

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

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

The constitution of the Remuneration committee is as follows:

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

The Remuneration Committee Meeting was held on 29th June, 2009. All the members were present.

Remuneration Policy

A. Remuneration to Non-Executive Directors

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

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

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

Details of Remuneration to all the Directors for the year ended 31st March, 2010:

Name of the Director	Salary	Perquisites	Sitting Fees	Total	Service Contract
Shri Vijay Kumar Gupta	25,44,000	--	--	25,44,000	Contractual*
Shri Susheel Kumar Gupta	19,20,000	--	--	19,20,000	Contractual*
Shri M. Srikanth Reddy	--	--	30,000	30,000	Retirement by rotation
Shri K .Srinivas Reddy	--	--	30,000	30,000	Retirement by rotation
Shri K.Bhupal Reddy	--	--	30,000	30,000	Retirement by rotation

The contract is for five years.

5. Shareholders' Grievance Committee:

The Board of Directors has constituted 'Shareholders'/Investors' Grievances Committee. The terms of reference of this Committee is to consider transfer/ transmission of Shares, issue of duplicate share certificates, review of shares dematerialized and all other related matters, investors grievances and redressal thereof. During the year the Company had received 91 letters/complaints from the shareholders and all of them were resolved satisfactorily by furnishing the requisite information/documents to the shareholders. There were no transfers pending at the close of the financial year.

Composition

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

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

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

Compliance Officer

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

Meetings and attendance

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

29th June, 2009 : 24th October, 2009: 29th January,2010.

Meetings and attendance during the year

There were three meetings of the Shareholders' Grievance Committee during the year 2009-2010.The attendance of each Member of the Committee is given below :

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

6. Code of Conduct

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

7. General Body Meetings

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

Financial Year	Date	Location of the Meeting	Time
2006-2007	26.09.2007	The Federation of AP Chamber of Commerce & Industry, Federation House, 11-6-841, Red Hills, Hyderabad-500040.	3.00 PM
2007-2008	27.09.2008	The Federation of AP Chamber of Commerce & Industry, Federation House, 11-6-841, Red Hills, Hyderabad-500040.	11.00 A.M
2008-2009	24.09.2009	The Federation of AP Chamber of Commerce & Industry, Federation House, 11-6-841, Red Hills, Hyderabad-500040	11.00 A.M

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

8. Disclosures

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

There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives, etc. that may potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in Notes on Accounts under point No: 14 of Schedule No 21 B to the Accounts in the Annual Report.

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

9. MEANS OF COMMUNICATION:

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

10. General Shareholders Information

- Date, Time & Venue of AGM : 25th September,2010 & 11.00 A.M
Surana Udyog Auditorium
The Federation of AP Chamber of
Commerce & Industry,
Federation House: 11-6-841,
Red Hills, Hyderabad-500004
- Financial Calendar : 1st April to 31st March
First Quarter Results - 15th of August, 10 *
Half yearly Results - 15th of November, 10 *
Third Quarter Results - 15th of February, 11*
Results for the year ending 31.03.2011.
End of May, 2011. * provisional
- Date of Book Closure : 21st September,2010 to 25th September,2010
(Both days inclusive).
- Dividend 2008-09 and Dividend
Payment date(s) : 8% on or before 24th October, 2010.
- Listing on Stock Exchanges : The Bombay Stock Exchange Limited.
- Stock Code : 530151 on BSE.
- ISIN Number for NSDL & CDSL : INE 256G01025.
- Market price data :

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

Sl.No.	Month	High(Rs.)	Low(Rs.)
1	April,2009	2.93	2.08
2	May, 2009	4.74	2.11
3	June, 2009	4.89	2.95
4	July, 2009	4.75	3.87
5	August, 2009	4.39	3.70
6	September, 2009	4.19	3.51
7	October, 2009	4.33	3.41
8	November, 2009	3.91	3.40
9	December, 2009	3.90	3.40
10	January, 2010	4.59	3.36
11	February, 2010	4.10	3.27
12	March, 2010	3.49	2.99

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

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

- Share Transfer System :

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

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

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

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

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

- Distribution of Shareholding and Shareholding Pattern as on 31.03.2010.

Distribution of Shareholding:

No. of equity Shares held	No. of Shareholders	%	No. of Shares	%
Up to 5000	16795	93.59	16885422	14.68
5001 to 10000	618	3.44	4653847	4.05
10001 to 20000	300	1.67	4304350	3.74
20001 to 30000	90	0.50	2254923	1.96
30001 to 40000	24	0.13	835926	0.73
40001 to 50000	28	0.16	1301751	1.13
50001 to 100000	54	0.30	3700221	3.22
100001 and above	37	0.21	81063560	70.49
Grand Total	17946	100.00	115000000	100.00
Physical Mode	67	0.37	285438	0.25
Demat Mode	17879	99.63	114714562	99.75

Shareholding Pattern as on 31.03.2010:

Sl.No.	Category	No.of shares	%
1.	Promoters	5,20,76,417	45.28
2.	UTI & Mutual Funds	–	–
3.	Banks, Financial Institutions & Insurance Companies	1,50,02,400	13.05
4.	Foreign Institutional Investors	–	–
5.	Private Bodies Corporate	87,07,462	7.57
6.	Indian Public	3,60,23,090	31.32
7.	NRIs/ OCBs	4,50,501	0.39
8.	Clearing Members	40,130	0.04
9.	Director/Relatives/Associates (Independent and are not in control of the Company)	27,00,000	2.35
	Total:	11,50,00,000	100.00

- Dematerialization of Share and Liquidity: : The trading in Company's shares is permitted only on dematerialized form. In order to enable the Shareholders to hold the shares in electronic form and to facilitate scrip less trading, the Company has enlisted its shares with NSDL and CDSL.
- Share Dematerialization Records : The total number of shares under demat mode constitutes 11,47,14,562 Shares amounting to 99.75% of the capital have been dematerialized by investors as on 31.03.2010.
- Secretarial Audit : The Company gets the Secretarial Audit done by a Practicing Company Secretary for the purpose of reconciliation of the total admitted capital with both the depositories and the total issued and listed capital. The Secretarial Audit Report placed before the Board of Directors on a quarterly basis is also sent to the Stock Exchanges where the Company's shares are listed.
- Plant Locations : Survey No:139 to 141 & 143
Village Rajapoor, Mandal Balanagar,
Dist: Mahaboobnagar, Andhra Pradesh

Whole sale Depot Plot No. 46, Road No.12, APIIC
Kattedan, Hyderabad-500 077.

Retail Outlets 1) Surya Towers, 104,Sardar Patel Road,
Secunderabad-500003.
2) D. No. 6-3-852/2/3, Near Lal Bungalow
Ameerpet, Hyderabad -500016.

- 3) D. No. 2-22-306/A/2, Plot No:6&7,Survey No:178 & 179, Bhagyanagar Colony, Phase -II, Kukatpally, Hyderabad- 500072.
- 4) D.No:23-27/A, Sy No.127 & 130/1, Kothapet, Dilsukhnagar, Hyderabad -500060.
- 5) D.No:19-94/1, Sy.No : 466, Housing Colony, A.S. Rao Nagar, Secunderabad - 500062.

<ul style="list-style-type: none"> • Address for correspondence : 	Addressed to Aarthi Consultants Pvt. Ltd. I-2-285, Domalguda, Hyderabad-500029 Phone : 040-27638111, 27634445 Fax : 040-27632184 email : info@arthiconsultants.com Web : www.arthiconsultants.com.
<ul style="list-style-type: none"> • Investor Correspondence/Query on Annual Report, Sub-Division, Revalidation of Dividend Warrants etc. 	S Nagarajan Company Secretary Vijay Textiles Limited Surya Towers, Ground Floor, 104, Sardar Patel Road, Secunderabad-500 003 Ph.No. : 040-27848479, 27844086 Fax : 040-27846849 Email : info@vijaytextiles.in Web : www.vijaytextiles.in

- **Depository Services :**

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

National Securities Depository Ltd. Trade World, 4th Floor Kamala Mills Compound Senapati Bapat Marg, Lower Patel Mumbai-400 013 Tel: 022-24994200 Fax: 022-24972993/24976351 Email: info@nsdl.co.in	Central Depository Services (I) Ltd. Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street Mumbai - 400 023 Tel: 022-22723333, 22723224 Fax: 022-22723199 Email: investors@cdslindia.com
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- Nomination Facility : Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 109A of the Companies Act, 1956 are requested to submit to the Company in the prescribed form 2B for this purpose.
- Company's Policy on prevention of : Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company had framed a Code of Conduct for prevention of insider trading. Shri S. Nagarajan, Company Secretary, had been appointed as the Compliance Officer for this purpose. The code is applicable to all such employees of the Company, who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism.

NON-MANDATORY REQUIREMENTS

1. CHAIRMAN OF THE BOARD

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

2. REMUNERATION COMMITTEE

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

3. SHAREHOLDER RIGHTS

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

4. POSTAL BALLOT

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

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

Declaration on Code of Conduct

This is to confirm that the Board has laid down a code of conduct for all Directors and Senior Management personnel of the Company. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the code of conduct of the Company for the financial year ended on 31st March,2010, as envisaged in Clause 49 of the Listing Agreement with Stock Exchanges.

Place : Secunderabad
Date : 17th May,2010

Vijay Kumar Gupta
Chairman & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Members
Vijay Textiles Limited

We have examined the compliance of conditions of Corporate Governance by M/s. Vijay Textiles Limited, for the year ended March 31, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

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

For **LAXMINIWAS & JAIN**
Chartered Accountants

(LAXMINIWAS SHARMA)
Partner
Membership No. 014244
FRN : 001859S

Place : Secunderabad
Date : 17th May, 2010

To
The Members of
Vijay Textiles Limited

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

1. We have audited the attached Balance Sheet of VIJAY TEXTILES LIMITED as at 31.03.2010, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956 of India, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the Directors, as on 31.03.2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31.03.2010 from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us; the said accounts read with the accounting policies and notes forming part of accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - ii. in the case of the Profit & Loss Account, the Profit for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **LAXMINIWAS & JAIN**
Chartered Accountants

(LAXMINIWAS SHARMA)

Partner

Membership No. 014244

FRN: 001859S

Place: Secunderabad
Date : 17th May, 2010

ANNEXURE TO THE AUDITORS' REPORT:

Re: VIJAY TEXTILES LIMITED

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

- (i). a. The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b. All the assets have not been physically verified by the Management during the year but there is a regular programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. During the year few fixed assets have been disposed off by the Company. On the basis of information and explanations given to us, we are of the opinion, that disposal of the part of fixed assets has not affected the going concern status of the Company.
- (ii). a. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii). a. The Company has not granted loans, secured or unsecured, to companies, firms, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- b. During the year the Company has taken unsecured loans from three parties, a sum of Rs.2782.84 Lakhs and repaid Rs.2334.31 Lakhs to three parties and the total amount outstanding as on 31.03.2010 was Rs.3095.76 Lakhs payable to two parties covered under register maintained under Section 301 of the Companies Act, 1956.
- c. In our opinion, the rate of interest and other terms and conditions on which loans were taken from Companies, firms, or other parties covered under the register maintained under Section 301 of the Companies Act, 1956, are not prima facie, prejudicial to the interest of the Company.
- d. According to the information and explanation given to us, the company is regular in repayment of the principle and interest.
- (iv). In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v). a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi). The Company has not accepted any deposits from the public within the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- (vii). In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (viii). We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- (ix). a. According to the information and explanations given to us and the records of the company examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31.03.2010 for a period of more than six months from the date of became payable.
- c. According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which are not deposited on account of dispute except Income Tax appeal Rs.263.98 Lakhs (Previous Year Rs.12.91) pending before CIT(Appeals)
- (x). In our opinion, the company has no accumulated losses as at 31.03.2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi). According to the information and explanation given to us, the company has not defaulted in repayment of dues to financial institutions, bank and debenture holders as at balance sheet date.
- (xii). In our opinion and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly the provisions of clause 4(xii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- (xiii). In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- (xiv). In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- (xv). According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi). In our opinion, the term loans have been applied for the purposes for which they were raised.
- (xvii). According to the information and explanations given to us and on the overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long term investments.
- (xviii). According to the information and explanation given to us, the company has made preferential allotment of shares to parties covered in the register maintained under Section 301 of the Companies Act, 1956. In Our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.
- (xix). According to the information and explanation given to us, the Company has not issued any debentures. Therefore, the provisions of clause 4(xix) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- (xx). According to the information and explanation given to us, the company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- (xxi). According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **LAXMINIWAS & JAIN**
Chartered Accountants

Place : Secunderabad
Date : 17th May, 2010

(**LAXMINIWAS SHARMA**)
Partner
Membership No. 014244
FRN: 001859S

**BALANCE SHEET AS AT
31ST MARCH, 2010**



TEXTILES LIMITED

	Schedule Reference	As at 31.03.2010 Rupees		As at 31.03.2009 Rupees	
SOURCES OF FUNDS					
Shareholders Funds					
Share Capital	1	11,50,00,000		11,50,00,000	
Reserves & Surplus	2	52,64,64,268		50,01,20,674	
			64,14,64,268		61,51,20,674
Loan Funds					
Secured Loans	3	162,13,78,394		1,35,98,59,562	
Unsecured Loans	4	32,00,66,541		31,72,78,323	
			194,14,44,935		167,71,37,885
Net Deferred Tax Liability (See Note No.16 of Schedule 21)			9,01,65,973		8,14,38,191
TOTAL			267,30,75,176		237,36,96,750
APPLICATION OF FUNDS					
Fixed Assets	5				
Gross Block		101,76,35,630		76,21,98,138	
Less : Depreciation		14,35,78,045		10,31,58,451	
Net Block			87,40,57,585		65,90,39,687
Capital Work In Progress			77,08,91,589		78,21,52,636
Investments	6		1,35,90,000		1,35,90,000
Current Assets, Loans & Advances					
Inventories	7	62,81,59,731		61,23,54,368	
Sundry Debtors	8	42,00,46,151		28,40,16,124	
Cash & Bank Balances	9	1,01,91,299		7,27,73,622	
Loans & Advances	10	99,47,478		2,08,24,747	
Other Current Assets	11	3,50,54,445		3,84,09,177	
		110,33,99,104		102,83,78,038	
Less:Current Liabilities & Provisions	12	9,33,95,925		11,31,08,278	
Net Current Assets			101,00,03,179		91,52,69,760
Miscellaneous Expenditure (to the extent not written off or adjusted)	13		45,32,823		36,44,667
TOTAL			267,30,75,176		237,36,96,750

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

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

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

For and on behalf of the Board

Laxminiwas Sharma
Partner
Membership No.014244
FRN : 001859S

Vijay Kumar Gupta
Chairman & Managing Director

Susheel Kumar Gupta
Executive Director

Place : Secunderabad
Date : 17th May, 2010

S Nagarajan
Company Secretary

**PROFIT & LOSS ACCOUNT FOR THE
YEAR ENDED 31ST MARCH, 2010**



TEXTILES LIMITED

	Schedule Reference	For the Year ended 31.03.2010 Rupees	For the Year ended 31.03.2009 Rupees
INCOME			
Income from Operations		120,02,69,084	115,00,43,080
Other Income	14	1,98,38,995	3,01,95,794
Increase/(Decrease) in stocks	15	1,62,32,681	2,81,28,648
		123,63,40,760	120,83,67,522
EXPENDITURE			
Raw Materials consumed	16	71,17,07,971	76,67,34,123
Trading Goods Purchases		4,79,29,198	3,86,19,866
Manufacturing Expenses	17	5,65,87,972	4,20,42,423
Payments & Benefits to Employees	18	2,00,70,616	1,63,81,348
Other Expenses	19	7,01,35,567	5,21,59,629
Finance Charges	20	23,30,29,366	19,70,07,525
Depreciation		4,40,14,756	3,12,41,295
		118,34,75,446	114,41,86,209
		5,28,65,314	6,41,81,313
PROFIT FOR THE YEAR			
Less : Adjustments for Taxes			
Earlier Years		(19,20,602)	3,161
Current Year		89,51,000	1,39,90,000
Fringe Benefit Tax		0	8,03,250
Deferred Tax		87,27,782	84,73,028
PROFIT AFTER TAXATION			
Add: Profit brought forward from last year		3,71,07,134	4,09,11,874
Profit available for appropriations		8,10,43,934	10,35,86,485
Appropriations:		11,81,51,068	14,44,98,359
Proposed Dividend		92,00,000	1,15,00,000
Corporate Tax on Dividend		15,63,540	19,54,425
Transfer to General Reserve		5,00,00,000	5,00,00,000
Balance carried to Balance Sheet		5,73,87,528	8,10,43,934
		11,81,51,068	14,44,98,359
Weighted Average Number of Equity Shares - Basic		11,50,00,000	11,50,00,000
Nominal Value per Shares - Rs		1.00	1.00
Basic Earning per Share - Rs		0.32	0.36
Significant Accounting Policies and Notes to Accounts	21		

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

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

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

Chartered Accountants

Laxminiwas Sharma
Partner
Membership No.014244

FRN : 001859S

Place : Secunderabad
Date : 17th May, 2010

For and on behalf of the Board

Vijay Kumar Gupta
Chairman & Managing Director

Susheel Kumar Gupta
Executive Director

S Nagarajan
Company Secretary

**Schedules forming part of
Balance Sheet**



TEXTILES LIMITED

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
SCHEDULE-1		
SHARE CAPITAL:		
AUTHORISED		
20,00,00,000 Equity Shares of Rs. 1/- each (Previous Year : 20,00,00,000 Equity Shares of Rs. 1/- each)	<u>20,00,00,000</u>	<u>20,00,00,000</u>
ISSUED CAPITAL		
11,50,00,000 Equity Shares of Rs. 1/- each (Previous Year : 11,50,00,000 Equity Shares of Rs. 1/-each)	<u>11,50,00,000</u>	<u>11,50,00,000</u>
SUBSCRIBED CAPITAL		
11,50,00,000 Equity Shares of Rs. 1/- each. (Previous Year: 11,50,00,000 Equity Shares of Rs. 1/- each)	<u>11,50,00,000</u>	<u>11,50,00,000</u>
PAID UP CAPITAL		
11,50,00,000 Equity Shares of Rs. 1/- each. (Previous Year: 11,50,00,000 Equity Shares of Rs. 1/- each)	<u>11,50,00,000</u>	<u>11,50,00,000</u>
TOTAL:	<u><u>11,50,00,000</u></u>	<u><u>11,50,00,000</u></u>
SCHEDULE-2		
RESERVES & SURPLUS		
SHARE PREMIUM	19,43,12,510	19,43,12,510
GENERAL RESERVE		
Opening Balance	21,27,61,541	16,27,61,541
Add: Additions during the year	<u>5,00,00,000</u>	<u>5,00,00,000</u>
Closing Balance	26,27,61,541	21,27,61,541
SHARE FORFEITURE	1,20,02,689	1,20,02,689
PROFIT & LOSS ACCOUNT		
Opening Balance	8,10,43,934	10,35,86,485
Add / Less : Adjustments	<u>(2,36,56,406)</u>	<u>(2,25,42,551)</u>
Closing Balance	<u>5,73,87,528</u>	<u>8,10,43,934</u>
TOTAL :	<u><u>52,64,64,268</u></u>	<u><u>50,01,20,674</u></u>

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
SCHEDULE-3		
SECURED LOANS:		
WORKING CAPITAL LOANS FROM BANKS		
- Cash Credit	61,56,25,383	37,44,43,305
TERM LOAN FROM BANKS	99,79,81,288	97,15,55,026
Vehicle Loans	77,71,723	1,38,61,231
TOTAL	162,13,78,394	135,98,59,562
SCHEDULE-4		
UNSECURED LOANS		
From Directors	30,95,76,665	26,47,23,161
From Banks	1,04,89,876	5,25,55,162
TOTAL	32,00,66,541	31,72,78,323

**SCHEDULE-5
FIXED ASSETS**

Sl. No.	Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As at 01.04.2009 Rupees	Additions/ Adjustments Rupees	Deductions Rupees	As at 31.03.2010 Rupees	Upto 31.03.2009 Rupees	For the year Rupees	Adjustments Rupees	Upto 31.03.2010 Rupees	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
1	Land	7,97,93,978	32,000	0	7,98,25,978	0	0	0	0	7,98,25,978	7,97,93,978
2	Buildings	16,36,01,521	7,62,74,054	0	23,98,75,575	1,24,55,812	72,50,106	0	1,97,05,918	22,01,69,657	15,11,45,709
3	Plant & Machinery	32,47,77,503	1,29,48,112	0	33,77,25,615	5,17,61,005	1,71,24,295	0	6,88,85,300	26,88,40,315	27,30,16,498
4	Electrical Fittings	4,14,32,963	2,82,78,971	0	6,97,11,934	57,63,715	29,88,057	0	87,51,772	6,09,60,162	3,56,69,248
5	Furniture & Fittings	10,32,43,456	14,04,63,896	0	24,37,07,352	2,02,18,520	1,21,00,500	0	3,23,19,020	21,13,88,332	8,30,24,936
6	Office Equipment	34,26,210	2,97,658	0	37,23,868	13,37,252	1,75,974	0	15,13,176	22,10,692	20,88,958
7	Vehicles	4,37,99,270	45,70,898	85,18,457	3,98,51,711	1,02,28,514	40,13,332	35,95,162	1,06,46,684	2,92,05,027	3,35,70,756
8	Computers	21,23,237	10,90,360	0	32,13,597	13,93,633	3,62,542	0	17,56,175	14,57,422	7,29,604
	TOTAL	76,21,98,138	26,39,55,949	85,18,457	101,76,35,630	10,31,58,451	4,40,14,756	35,95,162	14,35,78,045	87,40,57,585	65,90,39,687
	Previous year	68,76,15,339	8,59,02,994	1,13,20,195	76,21,98,138	7,23,29,924	3,12,41,295	4,12,768	10,31,58,451	65,90,39,687	61,52,85,415

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



TEXTILES LIMITED

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
SCHEDULE-6		
INVESTMENTS - LONG TERM		
(At cost - traded - quoted)		
4,53,000 (Previous year 4,53,000) Equity Shares of Rs.10/- each in Suryajyoti Spinning Mills Ltd. Fully Paid-Up. (Market Value Rs.1,02,60,450/- (Previous year Rs.47,51,970/-)	1,35,90,000	1,35,90,000
TOTAL	1,35,90,000	1,35,90,000
SCHEDULE-7		
INVENTORIES		
Raw-Material	2,37,68,809	2,43,26,249
Work in Process	66,53,792	82,14,042
Finished Goods	57,36,34,300	55,58,41,369
Stores & Consumables	2,41,02,830	2,39,72,708
TOTAL:	62,81,59,731	61,23,54,368
SCHEDULE-8		
SUNDRY DEBTORS		
(Unsecured considered good)		
Due Over Six Months	64,69,170	86,58,159
Others	41,35,76,981	27,53,57,965
TOTAL	42,00,46,151	28,40,16,124
SCHEDULE-9		
CASH & BANK BALANCES		
Cash on Hand	5,42,784	5,36,588
Bank Balance with Scheduled Banks		
- In Current Accounts	94,34,920	6,87,99,072
- In Deposit Account	2,13,595	34,37,962
(Under lien with Bank against issue of Bank Guarantee)		
TOTAL	1,01,91,299	7,27,73,622

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
SCHEDULE-10		
LOANS & ADVANCES		
(Unsecured considered good)		
Advances recoverable in cash or kind or for value to be received	99,47,478	2,08,24,747
TOTAL	99,47,478	2,08,24,747
SCHEDULE-11		
OTHER CURRENT ASSETS		
Interest Receivable	1,35,921	2,84,855
Interest Subsidy Receivable	1,03,85,409	1,68,82,301
Income Tax Receivable	23,18,940	0
Power Subsidy Receivable	3,51,660	0
Pre-Paid Expenses	16,28,588	12,45,153
Deposits Recoverable	2,02,33,927	1,99,96,868
TOTAL	3,50,54,445	3,84,09,177
SCHEDULE-12		
CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors:		
- Dues to Micro, Small and Medium Enterprises	7,00,694	0
- Dues to Others	6,10,99,620	8,20,85,645
Other Liabilities	1,91,85,630	1,48,89,199
Unclaimed Dividend	12,69,287	10,85,067
TOTAL	8,22,55,231	9,80,59,911
B. PROVISIONS		
Provision for Gratuity	3,77,154	15,62,567
Provision for Dividend	92,00,000	1,15,00,000
Corporate Tax on Dividend	15,63,540	19,54,425
Provision for Fringe Benefit Tax	0	31,375
TOTAL	1,11,40,694	1,50,48,367
TOTAL (A+B)	9,33,95,925	11,31,08,278
SCHEDULE-13		
MISCELLANEOUS EXPENDITURE		
Deferred Premium	45,32,823	36,44,667
TOTAL	45,32,823	36,44,667

	For the Year ended 31.03.2010 Rupees	For the Year ended 31.03.2009 Rupees
SCHEDULE-14		
OTHER INCOME		
Interest Earned (TDS - Rs.6,78,314/- Previous Year Rs.171575/-)	69,72,570	9,13,394
Interest Subsidy Received	1,11,02,986	2,73,34,846
Dividend Received	0	2,71,800
Profit on Sale of Investments	0	14,83,632
Miscellaneous Income	0	1,78,866
Profit on Sale of Assets	0	13,256
Power Subsidy Received	13,61,260	0
Interest on Income Tax	4,02,179	0
TOTAL	<u>1,98,38,995</u>	<u>3,01,95,794</u>
SCHEDULE-15		
INCREASE/(DECREASE) IN STOCKS		
OPENING STOCK		
Finished Goods	55,58,41,369	53,08,58,791
Stock in Process	82,14,042	50,67,972
TOTAL (A)	<u>56,40,55,411</u>	<u>53,59,26,763</u>
CLOSING STOCK		
Finished Goods	57,36,34,300	55,58,41,369
Stock in Process	66,53,792	82,14,042
TOTAL (B)	<u>58,02,88,092</u>	<u>56,40,55,411</u>
Increase/(Decrease) in Stocks (A-B)	<u>1,62,32,681</u>	<u>2,81,28,648</u>
SCHEDULE-16		
RAW MATERIALS CONSUMED		
Opening Stock	2,43,26,249	1,30,58,665
Add: Purchases	71,11,50,531	77,80,01,707
	73,54,76,780	79,10,60,372
Less: Closing Stock	2,37,68,809	2,43,26,249
TOTAL	<u>71,17,07,971</u>	<u>76,67,34,123</u>

	For the Year ended 31.03.2010 Rupees	For the Year ended 31.03.2009 Rupees
SCHEDULE-17		
MANUFACTURING EXPENSES		
Carriage & Freight	53,55,099	43,83,493
Factory Wages & Salaries	1,08,61,001	63,62,826
Firewood	1,55,59,335	1,14,70,806
Power & Fuel	1,16,32,023	93,86,397
Design & Development	35,87,660	3,75,837
Stores & Consumables	42,00,694	54,63,345
Other Manufacturing Expenses	43,23,971	27,06,517
Effluent Treatment Plant Expenses	10,68,189	18,93,202
TOTAL	5,65,87,972	4,20,42,423
SCHEDULE-18		
PAYMENTS & BENEFITS TO EMPLOYEES		
Managerial Remuneration	44,64,000	52,20,000
Salaries & Allowances	1,28,21,994	96,69,338
Gratuity	9,62,854	1,30,620
Contribution to Provident Fund	11,57,743	8,57,653
Contribution to E.S.I.	3,34,143	2,28,759
Welfare Expenses	3,29,882	2,74,978
TOTAL	2,00,70,616	1,63,81,348

	For the Year ended 31.03.2010 Rupees	For the Year ended 31.03.2009 Rupees
SCHEDULE-19		
OTHER EXPENSES		
Rent	25,03,440	25,03,440
Lease Rental Charges	1,59,11,539	70,42,910
Rates, Taxes, Licences & Fees	25,22,413	20,54,245
Printing & Stationery	12,50,616	11,65,476
Postage, Telegram & Telephones	16,28,739	15,72,881
Office Electricity & Water	89,34,734	59,65,341
Travelling & Conveyance	18,43,276	29,84,757
Advertisement & Publicity	1,11,40,883	86,09,755
Agents Commission	53,43,281	29,03,412
Selling Expenses	97,77,282	92,06,190
Insurance	17,64,307	17,46,281
Audit Fees	4,41,200	4,41,200
Directors' Sitting Fees	90,000	88,000
Legal & Professional Charges	14,67,664	21,58,835
Security Service Charges	4,41,466	0
Repairs to Buildings	1,39,348	2,15,909
Repairs to Other Assets	18,84,656	9,50,679
Vehicle Maintenance	14,10,273	12,04,957
Miscellaneous Expenses	10,76,155	11,87,678
Loss on Sale of Fixed Assets	5,64,295	0
Assets Written Off	0	1,57,683
TOTAL	7,01,35,567	5,21,59,629

SCHEDULE-20
FINANCE CHARGES

Interest on Working Capital	4,75,56,985	5,70,75,846
Interest on Term Loan	11,63,80,220	7,71,48,143
Interest on Un-Secured Loan	2,26,33,688	1,12,05,495
Interest on Others	27,38,817	37,56,673
Foreign Exchange Fluctuations- (gain) / loss	51,48,960	2,79,80,804
Exchange Loss on Derivatives	3,45,77,663	1,41,07,623
Bank & Finance Charges	39,93,033	57,32,941
TOTAL	23,30,29,366	19,70,07,525

SCHEDULE - 2 I

A. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

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

2. FIXED ASSETS

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

3. GOVERNMENT GRANTS

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

4. LEASES

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

5. INVESTMENTS

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

6. INVENTORIES

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

7. EMPLOYEE BENEFITS

a) Defined Contribution Plan:

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

b) Defined Benefit Plan:

Gratuity: In accordance with applicable Indian laws, the Company provides gratuity, a defined benefit retirement plan (Gratuity Plan) covering all employees. The gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. Liability with regard to Gratuity Plan is accrued based on actuarial valuation at the balance Sheet date. Liability for Leave Encashment is treated as a Short term liability and is accounted for as per the rules of the company in force.

8. FOREIGN CURRENCY TRANSACTIONS

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

9. FINANCIAL DERIVATIVES HEDGING TRANSACTIONS

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

10. BORROWING COSTS

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

11. TAXATION

a) Current year Charge:

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

b) Deferred Tax:

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

12. IMPAIRMENT OF ASSETS

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

13. CONTINGENT LIABILITIES- PROVISIONS AND CONTINGENT ASSETS:

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

B. NOTES ON ACCOUNTS :

- I. Contingent Liability not provided for in respect of claims against the Company not acknowledge as debts:
 - Counter Guarantee given to Bankers towards Bank Guarantee 19.05 Lakhs (Previous year Rs.19.05Lakhs).
 - Estimated amount of liability on account of Capital Commitments Rs.3893.42 Lakhs includes Rs.3787.50 Lakhs toward Software Park. (Previous year Rs5975.02 Lakhs includes Rs.5749.25 Lakhs towards Software Park).

- Export Obligation is Rs. 9,39,30,216/- (US \$ 23,36,573) over a period of 8 years for concessional duty availed for import of machinery .
 - Income Tax Assessment year 2006-07 and 2007-08 Rs.287.17 Lakhs (Previous Year Rs.26.11 Lakhs) for which Company had filed appeal before the concerned authorities.
2. In the opinion of the management current assets, loans & advances and other assets have the value at which they are stated in the Balance Sheet and are realizable in the ordinary course of business.
 3. Disclosure in accordance with part I of Schedule VI of Companies Act, 1956 in respect of Micro, Small and Medium Enterprises :

Sl.No.	Particulars	As at March31, 2010	As at March31, 2009
1	Principal amount remaining overdue	Nil	Nil
2	Interest thereon	Nil	Nil
3	Interest paid by the Company in terms of Section 16 of MSMED Act, 2006.	Nil	Nil

This information as required to be disclosed has been determined to the extent such parties have been identified on the basis of information available with the Company.

4. Working Capital facilities availed by the Company from State Bank of India & AXIS Bank Limited under consortium arrangement are secured by Pari-Passu first charge on Current Assets of the Company, Pari-Passu Second charge on entire block of assets of the Company and further guaranteed by two Directors of the Company and their family members.
5. Term Loan facility availed by the Company from State Bank of India, AXIS Bank Limited is secured by first charge, by way of Equitable Mortgage of property of the Company and entire block of Fixed Assets of the company present and future and further guaranteed by two Directors of the company and their family members.
6. Term Loan facility availed by the Company from Central Bank of India is secured by first charge, by way of Equitable Mortgage of property of the Company and entire block of Fixed Assets of the company present and future, hypothecation of credit card receivables, Pari-Passu charge on entire current assets.
7. Vehicle loan is secured by way of hypothecation of specific vehicle financed.
8. Capital work in progress includes Rs.75.52 Crores (Previous year Rs.68.83 Crores) towards Software Park.
9. Loans and advances include advances for Capital Assets Rs.12.00 Lakhs. (Previous Year Rs.89.47 Lakhs).

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

	2009-2010		2008-2009	
A Licensed and Installed Capacity:				
Licensed Capacity	Not applicable		Not applicable	
Installed Capacity	150 Lakhs Mtr.		150 Lakhs Mtr.	
	QUANTITY (IN MTRS)	VALUE RUPEES	QUANTITY (IN MTRS)	VALUE RUPEES
B. PRODUCTION:				
Printing of Grey Cloth				
– Polyester:				
Own Production	67,60,925		51,95,395	
On Job Work	10,423		0	
– Wider width:				
Own Production	50,61,319		33,92,528	
C. JOB WORK:				
Weaving of Grey Cloth	32,38,758		16,88,406	
Conversion of Wider width Fabrics	1,23,227		1,82,397	
D. BREAKUP OF PURCHASES:				
Polyester Grey	42,11,762	7,89,75,109	45,63,808	9,01,70,146
Wider width Grey	52,40,144	19,91,81,518	31,80,148	10,21,17,974
Textile Fabrics etc.	96,79,247	56,55,66,772	1,23,46,817	65,66,55,254
E. BREAKUP OF SALES:				
Polyester Grey	2,07,746	14,29,484	0	0
Textile Fabrics - Polyester	1,83,46,848	96,21,03,118	2,04,17,910	99,94,98,997
Textile Fabrics - Wider width	40,80,480	20,18,82,747	23,72,080	10,65,70,782
F. BREAKUP OF FINISHED GOODS STOCK (PRODUCTION):				
a) Opening Stocks:				
– Polyester:				
Finished Goods	1,09,24,084	47,77,89,207	1,37,99,782	48,02,59,615
Stock in Process	1,91,825	40,79,994	7,200	1,42,990
	1,11,15,909	48,18,69,201	1,38,06,982	48,04,02,605
– Wider width:				
Finished Goods	14,55,056	6,52,73,363	6,17,005	2,51,69,308
Stock in Process	1,19,782	41,34,048	1,13,626	49,24,982
	15,74,838	6,94,07,411	7,30,631	3,00,94,290

b) Closing Stock:				
– Polyester:				
Finished Goods	90,27,831	43,22,84,822	1,09,24,084	47,77,89,207
Stock in Process	43,167	25,00,307	1,91,825	40,79,994
	90,70,998	43,47,85,129	1,11,15,909	48,18,69,201
– Wider width:				
Finished Goods	23,12,668	12,78,19,884	14,55,056	6,52,73,363
Stock in Process	69,391	41,53,485	1,19,782	41,34,048
	23,82,059	13,19,73,369	15,74,838	6,94,07,411
G. RAW-MATERIALS CONSUMED:				
a) YARN	Quantity(Kg)	Value(Rs.)	Quantity(Kg)	Value(Rs.)
Opening Stock	13,779	24,07,315	14,429	12,32,568
Add: Purchases	2,45,217	1,81,24,733	1,63,259	1,05,52,089
	2,58,996	2,05,32,048	1,77,688	1,17,84,657
Less: Closing Stock	2,687	2,20,624	13,779	24,07,315
Consumption	2,56,309	2,03,11,424	1,63,909	93,77,342
b) GREY CLOTH				
Opening Stock	1,54,040	24,12,227	54,117	13,29,899
Add: Purchases	42,11,762	7,89,75,109	45,63,808	9,02,08,236
Add : Weaving	32,38,758	51,13,161	16,88,406	27,60,261
	76,04,560	8,65,00,497	63,06,331	9,42,98,396
Less: Closing Stock	16,830	4,18,022	1,54,040	24,12,227
Consumption	75,87,730	8,60,82,475	61,52,291	9,18,86,169
c) WIDER WIDTH GREYCLOTH:				
Opening Stock	1,218	31,668	99,820	48,32,346
Add: Purchases	52,40,144	19,91,81,518	31,80,148	10,21,17,974
	52,41,362	19,92,13,186	32,79,968	10,69,50,320
Less: Closing Stock	1,15,432	48,50,309	1,218	31,668
Consumption	51,25,930	19,43,62,877	32,78,750	10,69,18,652
d) EMBROIDERY THREADS (IN BOXES):				
Opening Stock	2,696	6,71,966	0	0
Add: Purchases	19,174	58,25,371	4,592	8,53,892
	21,870	64,97,337	4,592	8,53,892
Less: Closing Stock	6,552	18,69,547	2,696	6,71,966
Consumption	15,318	46,27,790	1,896	1,81,926

e) EMBROIDERY THREADS (IN CONES):				
Opening Stock	172	9,470	0	0
Add: Purchases	16,612	9,22,377	842	46,997
	16,784	9,31,847	842	46,997
Less: Closing Stock	0	0	172	9,470
Consumption	16,784	9,31,847	670	37,527
f) COLOURS & CHEMICALS:				
As the varieties are numerous in different quantities, these figures are not accurately ascertainable.				
H. PERCENTAGE OF RAW-MATERIALS CONSUMED:				
Indigenous	100%	71,17,07,971	100%	76,67,34,123
Imported	---	---	---	---
	100%	71,17,07,971	100%	76,67,34,123
I. PERCENTAGE OF STORES & CONSUMABLES CONSUMED:				
Indigenous	100%	42,00,694	100%	54,63,345
Imported	---	---	---	---
	100%	42,00,694	100%	54,63,345
J. REMUNERATION TO DIRECTORS:				
Managing Director				
Salary		25,44,000		33,00,000
		25,44,000		33,00,000
Executive Director				
Salary		19,20,000		19,20,000
		19,20,000		19,20,000
K. REMUNERATION TO STATUTORY AUDITORS:				
a) Audit Fee		3,30,000		3,30,000
b) Tax Audit		60,000		60,000
c) Certification Charges		10,000		10,000
d) Service Tax		41,200		41,200
		4,41,200		4,41,200
L. VALUE OF IMPORTS (CIF BASIS):				
Capital Goods		6,28,922		3,23,99,829
M. EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF TRAVELLING EXPENSES				
		6,353		62,898

N. EARNINGS IN FOREIGN EXCHANGE: FOB VALUE OF EXPORTS		1,71,43,885		1,69,82,345
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11. Employee Benefits:

Consequent upon adoption of Accounting Standard on "Employee Benefit" (AS 15)(Revised 2005) issued by the institute of Chartered Accountants of India, as required by the Standard, the following disclosures are made :

Particulars	For the Year(Rs)
I. Assumptions :	
Discount Rate	7.50%
Rate of Return on Plan Assets	11.00%
Salary Escalation Average for next seven years	6.00%
II. Table Showing Change in Benefit Obligation :	
Liability at the beginning of the year	20,64,636
Interest Cost	1,54,848
Current Service Cost	2,69,170
Benefit Paid	51,960
Actuarial (gain)/loss on obligations	5,096
Liability at the end of the year	24,41,790
III. Tables of Fair value of Plan Assets :	
Fair Value of Plan Assets at the beginning of the year	–
Expected Return on Plan Assets	–
Contributions	20,73,306
Benefit Paid	51,960
Actuarial gain/(loss) on Plan Assets	43,290
Fair Value of Plan Assets at the end of the year	20,64,636
Total Actuarial Gain/(Loss) To Be Recognized	38,194
IV. Actual Return on Plan Assets :	
Expected Return on Plan Assets	–
Actuarial gain/(loss) on Plan Assets	43,290
Actual Return on Plan Assets	43,290
V. Amount Recognized in the Balance Sheet :	
Liability at the end of the year	24,41,790
Fair Value of Plan Assets at the end of the year	20,64,636
Difference	3,77,154
Amount Recognized in the Balance Sheet	3,77,154

VI. Expenses Recognized in the Income Statement :	
Current Service Cost	2,69,170
Interest Cost	1,54,848
Expected Return on Plan Assets	–
Net Actuarial (Gain)/Loss To Be Recognized	(38,194)
Expense Recognized in P& L	3,85,824
VII. Balance Sheet Reconciliation	
Opening Net Liability	20,64,636
Expense as above	3,85,824
Employer's Contribution	20,73,306
Amount Recognized in Balance Sheet	3,77,154

Employer's contribution to Provident/Pension Fund Rs.11.58 Lakhs (Previous year Rs.8.58 Lakhs). The Company contributes applicable rates of salary of all eligible employees towards provident fund managed by the Central Government.

12. Borrowing cost capitalized during the year on various assets Rs.93,56,815/- (Previous year Rs 10,87,817/-).
13. The Company's operations mainly consists of only one segment - Polyester and Wider width Fabrics (manufacturing and trading) and therefore the figure above relate to that segment.
14. Related Parties Disclosures:

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

(Rupees in Lakhs)

Name of the Party	Nature of Transaction	Amount
Vijay Kumar Gupta	Rent	6.61
	Remuneration	25.44
	Interest	198.36
	Sale of Vehicle	8.61
Vijay Kumar Gupta(HUF)	Rent	6.47
Susheel Kumar Gupta	Rent	4.33
	Remuneration	19.20
	Interest	27.98
Shashikala Gupta	Sale of Vehicle	8.41
	Rent	5.18
Mani Bai Gupta	Rent	2.44

Un Secured loan received and paid during the year as under:

(Rupees in Lakhs)

Name	Loans Taken	Loan Paid	Balance
Vijay Kumar Gupta	2614.61	2182.08	2710.84
Susheel Kumar Gupta	68.23	52.23	354.92
Crown Beer International Limited (Interested Director M. Sripath Reddy)	100.00	100.00	Nil

15. The Company's Lease Agreement is in respect of Building at Ameerpet, Kukatpally, Dilsukhnagar, and A.S. Rao Nagar show rooms. The lease rentals payable are charged as "Lease Rental charges" under "Other Expenses " in Schedule -19. This Leasing arrangement are for the period exceeds 5 years and renewable by mutual consent on mutually agreeable terms. Future lease rental payable are as under :

(Rupees in Lakhs)

Particulars	As at March31, 2010*	As at March31, 2009
Payable:		
Not Later than one year	191.21	189.90
Later than one year but not later than 5 years	847.73	1040.09
Later than five years	2398.63	2280.00

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

16. Deferred Tax

Sl.No	Particulars	As at 31.03.2010	As at 31.03.2009
a.	Deferred Tax liability on account of Depreciation	901.65	815.95
b.	Deferred Tax asset on account of Others	Nil	1.57
c.	Deferred Tax Liability (Net)	901.65	814.38

17. 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 may 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, 2010.
18. 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.
19. The previous year's figures have been regrouped and rearranged wherever necessary so as to make them comparable with the current year.

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

For and on behalf of the Board

Laxminiwas Sharma
Partner
Membership No.014244
FRN: 001859S

Vijay Kumar Gupta
Chairman & Managing Director

Susheel Kumar Gupta
Executive Director

Place : Secunderabad
Date : 17th May, 2010

S. Nagarajan
Company Secretary

**CASH FLOW STATEMENT FOR THE
YEAR ENDED 31ST MARCH, 2010**



TEXTILES LIMITED

	2009-2010		2008-2009	
	Rupees	Rupees	Rupees	Rupees
A. CASH FROM OPERATING ACTIVITIES:				
Net -profit Before Tax And Extraordinary Items		5,28,65,314		6,41,81,313
Adjustment For				
– Depreciation	4,40,14,756		3,12,41,295	
– Interest	19,33,02,743		15,49,19,098	
– Loss On Sale Of Fixed Assets	5,64,295		0	
– Dividend Received	0		(2,71,800)	
– Foreign Exchange Fluctuations	3,97,26,623		4,20,88,427	
– Interest Received	(69,72,570)		(9,13,394)	
– Income From Investment	0		(14,83,632)	
		27,06,35,847		22,55,79,994
Operating Profit Before Working Capital Changes:		22,55,79,994		28,97,61,307
Adjustment For				
– Trade & Other Receivables	(12,08,38,868)		(4,02,91,936)	
– Inventories	(1,58,05,363)		(4,35,16,948)	
– Trade Payable	(1,70,21,468)		3,67,47,928	
		(15,36,65,699)		(4,70,60,956)
Cash Generated From Operations		16,98,35,462		24,27,00,351
– Interest Paid	(19,33,02,743)		(15,49,19,098)	
– Direct Taxes Paid	(88,77,712)		(1,53,55,000)	
		(20,21,80,455)		(17,02,74,098)
Cash Flow Before Extraordinary Items		(3,23,44,993)		7,24,26,253
Extraordinary Items		(3,97,26,623)		(4,20,88,427)
Net Cash Flow From Operating Activities (A)		(7,20,71,616)		3,03,37,826
B. Cash Flow From Investing Activities:				
Purchase Of Fixed Assets	(25,26,94,902)		(24,10,96,255)	
Sale Of Fixed Assets	43,59,000		1,09,07,427	
Income From Investments	69,72,570		26,68,826	
Decrease In Investments	0	(24,13,63,332)	30,00,000	(22,45,20,002)
Net Cash Used In Investing Activities (B):		(24,13,63,332)		(22,45,20,002)

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

	2009-2010		2008-2009	
	Rupees	Rupees	Rupees	Rupees
C. Cash Flow From Financing Activities:				
Increase In Bank Borrowings	24,11,82,078		(3,49,98,582)	
Increase In Term Loans	2,03,36,754		40,14,84,159	
Increase In Unsecured Loans	27,88,218		(8,97,23,242)	
Dividend Paid	(1,34,54,425)	25,08,52,625	(2,01,81,637)	25,65,80,698
Net Cash Used In Financing Activities (C):		25,08,52,625		25,65,80,698
Net Increase In Cash And Cash Equivalents (A+B+C) :		(6,25,82,323)		6,23,98,522
Opening Cash And Cash Equivalents:		7,27,73,622		1,03,75,100
Closing Cash And Cash Equivalents:		1,01,91,299		7,27,73,622

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

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

For and on behalf of the Board

Laxminiwas Sharma
Partner
Membership No.014244
FRN: 001859S

Vijay Kumar Gupta
Chairman & Managing Director

Susheel Kumar Gupta
Executive Director

Place : Secunderabad
Date : 17th May, 2010

S Nagarajan
Company Secretary



Vijay TEXTILES LIMITED

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

ATTENDANCE SLIP

20th Annual General Meeting Saturday, the 25th September, 2010 at 11.00 A.M.

DPId*
Client Id*

Reg. Folio No.

Name and address of the Shareholder : _____

No. of Share(s) held : _____

I certify that I am a member/proxy for a member of the Company. I hereby record my presence at the 20th Annual General Meeting of the Company, at Surana Udyog Auditorium, The Federation of A.P. Chamber of Commerce & Industry, Federation House, 11-6-841, Red Hills, Hyderabad - 500 004. at 11.00 A.M. on Saturday, the 25th September, 2010.

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

** Member's/Proxy's Signature

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

* Applicable for Investors holding shares in electronic form.

** Strike out whichever is not applicable.



Vijay TEXTILES LIMITED

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

PROXY FORM

DPId*
Client Id*

Reg. Folio No.

I/We of being member/members of M/s. VIJAY TEXTILES LIMITED, hereby appoint of or failing him of

as my / our proxy to vote for me/us on my/our behalf at the 20th Annual General Meeting of the Company, at Surana Udyog Auditorium, The Federation of A.P. Chamber of Commerce & Industry, Federation House, 11-6-841, Red Hills, Hyderabad - 500 004. at 11.00 A.M. on Saturday, the 25th September, 2010, and at every adjournment thereof.

Signed this day of , 2010.

Note : 1. Proxy need not be a member.

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

Please Affix Rs.1/- Revenue Stamp
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Signature

* Applicable for Investors holding shares in electronic form.

NO GIFTS WILL BE GIVEN

NO GIFTS WILL BE GIVEN





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Facsimile : + 91-40-2784 6849
Email : info@vijaytextiles.in
Website : www.vijaytextiles.in