

23rd Annual Report 2012-13

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vijay
TEXTILES LIMITED

Furnishings Simply Incredible

CONTENTS

	Page
Board of Directors	1
Notice	2
Directors' Report	4
Management Discussion & Analysis Report	11
Corporate Governance Report	13
Independent Auditors' Report	24
Balance Sheet	29
Statement of Profit & Loss	30
Cash Flow Statement	31
Notes	33
Significant Accounting Policies	45
Notes on Accounts	47

BOARD OF DIRECTORS**TEXTILES LIMITED**

Vijay Kumar Gupta : Chairman and Managing Director

Susheel Kumar Gupta : Executive Director

R.Malhotra : Finance Director

M. Srikanth Reddy

K. Bhupal Reddy

Sanjeev Kumar Agarwal

Company Secretary

S. Nagarajan

Statutory Auditors

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

Internal Auditors

M/s.Sankaran & Krishnan,
Chartered Accountants, 3-6-203,
Himayatnagar, HYDERABAD - 500 029.

Cost Auditors

Nageswara Rao & Co.,
H.No:30-1569/2, Anatanagar Colony,
Neredmet, SECUNDERABAD-500 056

Bankers

State Bank of India

Industrial Finance Branch,
Somajiguda, HYDERABAD - 500 082.

Axis Bank Limited

Begumpet, HYDERABAD - 500 016.

State Bank of Hyderabad

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

Registrars & Transfer Agents

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

Registered Office

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

Factory:

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

Wholesale Depot:

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

Retail Show Rooms:

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

NOTICE



TEXTILES LIMITED

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Members of **VIJAY TEXTILES LIMITED** will be held on **Friday, the 27th September, 2013 at 3.30 P.M** at Surana Udyog Auditorium, The Federation House, 11-9-841, Red Hills, Hyderabad-500 004 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit & Loss for the year ended 31st March, 2013 along with the Auditors' Report and Director's Report thereon.
2. To appoint a Director in the place of Shri K.Bhupal Reddy, who retires by rotation and being eligible offers himself for re-appointment.

3. To consider re-appointment of M/s.Laxminiwas Neeth & Co., 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.

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

Place : Secunderabad
Date : 30th May, 2013

S Nagarajan
Company Secretary

Registered Office :

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

NOTES FOR MEMBERS ATTENTION:

1. A member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting.
2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
3. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
4. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance slip for attending the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
6. The Company has already notified Closure of the Register of Members and Transfer Books

from 23rd September, 2013 to 27th September, 2013 (both days inclusive) for the purpose of Annual General Meeting.

7. Members who hold shares in Physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the Shares Certificates to the Company's Registrars and Transfer Agents, M/s. Aarthi Consultants Pvt. Limited, for consolidation into a single folio.
8. Non-Resident Indian Members are requested to inform the Company's Registrars and Transfer Agents, M/s.Aarthi Consultants 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.

9. Members desirous of obtaining any information concerning the accounts/operations of the Company are requested to send their queries at least seven days before the date of the meeting, to the Company so that information required may be made available at the meeting.
10. The Shares of the Company continue to be listed on the stock exchange (s) at Mumbai and Chennai, the Company has paid up to date all the listing fees to the exchanges.

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

Place : Secunderabad
Date : 30th May, 2013

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 23rd Annual Report and the Audited Statement of Accounts of the Company for the Financial Year ended 31st March, 2013.

I. FINANCIAL RESULTS

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

(₹ in Lakhs)

Particulars	2012-2013	2011-2012
Total Revenue from operations	9613.34	10073.63
Profit Before Tax	50.52	108.16
Less: Taxation		
a. Income Tax - Earlier Years	–	0.04
b. Provision for Taxation - Current Year	9.63	21.64
c. Deferred Tax	122.26	35.03
Profit / (Loss) After Tax	(81.37)	51.45
Add: Profit brought forward from last year	637.15	610.70
Total available for appropriations	555.78	662.15
Transfer to General Reserves	–	25.00
Balance carried forward to Balance Sheet	555.78	637.15

2. OPERATIONS

The sales and other income for the year were ₹ 9613.34 Lakhs and the net profit of ₹ 50.52 Lakhs as compared to ₹ 10073.63 Lakhs of sales and other income and net profit of Rs 108.16 Lakhs achieved in the last financial year respectively.

General economic slowdown, acute power shortage coupled with heavier load restrictions and levy of VAT on textiles are the major factors that considerably affected the performance of the company resulting in lower turnover and profitability. The profitability was greatly impacted by higher cost of funds and rising costs overall as well.

3. TECH-PARK PROJECT

Pursuant to its decision to disinvest in the tech- park project the company, during the year, has entered in to a Deed of Cancellation with the developer Company for withdrawing from the project. The developer company is in the process of refunding the amount paid by our company towards this project and is expected to complete the transaction including payment of compensation amount in the next one year.

4. TRANSFER OF AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205 A (5) of the Companies Act, 1956 the Company has transferred an amount of ₹ 71,806.80 pertaining to the year 2004-2005 and an amount of ₹1,37,217.15 towards interim dividend pertaining to the year 2005-2006 which had remained unpaid or unclaimed for a period of 7 years to the Investors Education and Protection Fund.

5. RESERVES

During the year your Company has not transferred any amount 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, 2013.

7. DIRECTORS

Pursuant to the provisions of the Companies Act, 1956 and Articles of Association of the Company, Shri K.Bhupal 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 re-appointment at the ensuing Annual General Meeting is being annexed to the Annual Report.

8. AUDITORS

M/s. Laxminiwas Neeth & Co., Chartered Accountants, Statutory Auditors of the Company, retires at the forthcoming Annual General Meeting and is 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 Nageswara Rao & Co., Cost Accountants as Cost Auditors for conducting the audit of Cost Account records for financial year 2012-2013. The Cost Audit Report shall be submitted to the Central Government within the stipulated period.

10. ENVIRONMENTS AND HUMAN RESOURCE DEVELOPMENT

Your Company always believes in keeping the environment pollution free and is fully committed to its social responsibility. The Company has been taking utmost care in complying with all pollution control measures from time to time strictly as per the directions of the government.

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

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 at Bombay Stock Exchange Limited and Madras Stock Exchange Limited.

12. MANAGEMENT DISCUSSIONS 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. CORPORATE SOCIAL RESPONSIBILITY

The Company fully acknowledges its social responsibilities being a conscientious corporate citizen and fully believes in discharging its obligations to the society at large. The company sees this as an opportunity that shall play a pivotal role in helping the society and thus it continues to make concerted efforts in its work towards transformation of communities surrounding its work place as its humble contribution to the society.

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

15. 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.

16. 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 Note 7 on notes forming part of the Balance Sheet.

17. EMPLOYEE RELATIONS

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

18. 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, State bank of Hyderabad and Axis Bank Limited 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 : 30th May, 2013

Vijay Kumar Gupta
Chairman & Managing Director

FORM A

[Forming part of Annexure (I)]

Disclosure of Particulars with respect to conservation of Energy:

I. Energy Conservation:	31.03.2013	31.03.2012
A. 1. Power & Fuel Consumption		
Electricity :		
a) Purchased:		
Units	22,46,334	29,50,720
Total amount (₹)	1,36,78,116	1,29,00,860
Units Rate (₹)	6.09	4.37
b) Own Generation :		
Through Diesel Generator	1,00,480	38,288
Units	3.20	3.20
Units per ltr. of Diesel oil	15.69	13.94
Cost/Unit (₹)		
2. Coal used in Boiler :		
Quantity (Tonnes)	Nil	Nil
Cost (₹)	Nil	Nil
Average Rate (₹)	Nil	Nil
3. Furnace Oil (HSD):		
Quantity (K. Liter)	Nil	Nil
Total Amount (₹)	Nil	Nil
Average Unit/Liters	Nil	Nil
4. Others/Internal generation :		
Quantity (Tonnes)	7,893	7,471
Total Cost	1,85,94,615	1,47,73,341
Average Rate (₹)	2,356	1,977
B. Consumption per unit of production (Linear meter)		
Electricity	0.31	0.32
Furnace Oil	Nil	Nil
Coal (Kgs.)	Nil	0.01
Others (Firewood) (Kgs.)	1.07	0.80
2. Technology Absorption:	The Company has its In - house Design and Development Department continuously develop innovative designs and select the most suitable raw fabrics for dyeing/printing/processing.	
3. Foreign Exchange earnings and outgo :		
Earnings (₹)	80,23,890	1,45,22,531
Outgo (₹)	3,16,267	1,79,323

[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 Remune- ration (₹)	Qualifi- cations	Experience In years	Date of Commence ment of Employment	Particulars of last employment
01	Vijay Kumar Gupta	63	Managing Director	25,44,000	B.Com.	46	01.04.1990	Business
02	Susheel Kumar Gupta	38	Executive Director	24,00,000	B.Com.	23	01.04.2000	Business

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

For and on behalf of the Board

Place : Secunderabad
Date : 30th May ,2013

Vijay Kumar Gupta
Chairman & Managing Director

CERTIFICATE BY CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER

We, Vijay Kumar Gupta, Chief Executive Officer and S. Nagarajan, Company Secretary/Chief Financial Officer of Vijay Textiles Limited, hereby certify to the best of our knowledge and belief certify that:

1. We have reviewed the Balance Sheet and Statement of Profit and Loss and all its notes and notes to accounts, as well as the Cash Flow Statements and the Director's Report;
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or contain statements that might be misleading;
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, and are in compliance with the existing accounting standards and / or applicable laws and regulations;
4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct;
5. We are responsible for establishing and maintaining internal controls over financial reporting for the Company, and have
 - a. Designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles.
 - b. Evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting and
 - c. Disclosed in this report and change in the Company's internal control over financial reporting that has materially affected the Company's internal control over financial reporting.
6. We have disclosed to the Company's Auditors and the Audit Committee of the Company's Board of Directors in regard to
 - a. Deficiencies in the design or operation of internal controls and steps taken / proposed to be taken to rectify these deficiencies.
 - b. Significant changes in internal controls over financial reporting, if any, during the year covered by this report.
 - c. Significant changes in accounting policies during the year, if any, and that the same, have been disclosed in the notes to the financial statements.
 - d. Instances of significant fraud of which we are 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 : 30th May, 2013

S. Nagarajan
Chief Financial Officer

Vijay Kumar Gupta
Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE, DEVELOPMENTS AND PERFORMANCE

The furnishing industry has made rapid strides and grown in size and stature over the years, largely influenced by changing consumer tastes and mass appeal. There has been tremendous growth in housing and infrastructure sectors, which are catalyst in the growth of this industry. In global scenario this industry has shown accelerated growth in the recent past. Economic changes and increase in general spending power has induced the consumers to splurge more money on furnishing and in embellishing their homes and offices. This has given the right impetus to this industry, which is reflected in its unprecedented growth; and it continues to grow from strength to strength.

The Company taking a cue from all round growth witnessed by the furnishing industry has excelled itself as a large player in the domestic arena. The Company's core strength has been its well established pan India dealer network for wholesale, 5 world class large format retail stores strategically located in the twin cities of Hyderabad and Secunderabad and fine blend of infrastructure to navigate new markets for business development. The major clientele consist of NRIs, reputed institutes, corporate consumers and people from far from all the strata of the society. The Company caters to all the segments that matter, mainly on the strength of its quality products, which have exclusive and wide range of hues, quality and pricing choices. Going further the Company has strengthened its bed linen portfolio by penetrating the markets through its strong dealer network and mega retail outlets.

The company has a fully automated Embroidery Unit within its factory premises initially set up in the year 2009 with 9 sets of fully automatic and sophisticated machines imported from Japan. The company has further expanded this unit by importing more machines in three stages thus taking its tally to 40 fully automatic embroidery machines in the year 2012. In-house embroidery unit extends an edge to the Company in increasing its output in line with the increased demand for Embroidered fabric. Embroidered fabric and bed linen has enabled the company to increase its market stronghold and thus capture a sizeable market share too.

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

Pursuant to decision of the company to disinvest in the tech-park project it has entered in to a Deed of Cancellation with the developer company for withdrawing from the project during the year. The developer company is in the process of refunding the amount paid by the company towards this project and is expected to complete the transaction including payment of compensation in the next one year.

OPPORTUNITIES & THREATS

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

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

The furnishing industry has by and large has been able to withstand the market slow down and fluctuation in prices of essential raw materials to a considerable extent albeit with a lesser impact. The invasion of foreign companies in Indian markets and their mushroom growth in size and stature has also played a great role in escalating stiff competition. The Company has kept pace with the advancements around and forged its synergies in innovating techniques and competes well in design and development of its range of products to beat the competition, persistent with constant improvisation, astute pricing policy and highest quality standards.

OUTLOOK

The industry is witnessing all-round growth in the global scenario, which is coupled with rise in demand in the housing and infrastructure. Changing life styles and people's acumen to opt for sophisticated standards are the key factors in its growth pattern too. These factors will help the Company to achieve its projected growth outlined for the future. The governmental policies relating to infrastructure projects have strong bearing on the investment scenario in this sector, which may impact the planning of the Company in regard to future projects in this field. Though general economic slow down is a disheartening factor yet the company through its aggressive marketing strategy is trying to overcome it in a good measure.

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's decision to go in for disinvestment made in Multistoried IT Park (Tech-Park Project) is to withdraw from its diversification plan and in turn concentrate on core business activity in which the company foresees a tremendous untapped potential.

RISKS & CONCERNS

The Company remains apprehensive about possible changes in government policies, which might adversely affect the purchasing power of consumers. Market buoyancy and fluctuating prices of raw materials are key concerns, which are to be addressed appropriately at crucial stages to ensure projected growth. The Company is hopeful that by constantly bringing in new products through innovation and employing new marketing strategies will greatly help it in mitigating the adverse impacts apprehended thus. Industry is presently witnessing a general economic slow down which is in fact a denting factor in retarding growth.

INTERNAL CONTROL SYSTEM & ADEQUACY

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

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

There are no material developments in the Human Resources area. The Industrial relations have been considered to be satisfactory. The Company constantly reviews the manpower requirements and effective steps are being taken to meet the requirements. The total number of people directly and indirectly employed by the Company is 400.

DISCUSSION ON FINANCIAL PERFORMANCE

The Company achieved a gross turnover of ₹ 9263.57 Lakhs during the year. The Profit before Tax is ₹ 50.52 Lakhs and after making statutory provision for tax expenses of ₹ 131.89 Lakhs the net loss is ₹ 81.37 Lakhs.

NOTE

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

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

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2012-2013

(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

- The composition of Board of Directors consists of two Promoter Whole-time Director(s), one whole time Director 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) is equal to 50% of the total number of Directors.
- None of the Directors on the Board is a member of more than ten committees or Chairman of more than five committees as specified in Clause 49. The Directors have made necessary disclosures regarding committee positions.
- 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 27.09.12	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	4	4	Present	-	1	-	3
Susheel Kumar Gupta	P/ED	4	4	Present	-	-	-	-
R. Malhotra	FD/E.D	4	4	Present	-	-	-	-
M Srikanth Reddy	ID/NED	4	3	Present	-	1	-	-
K. Bhupal Reddy	ID/NED	4	4	Present	-	-	-	-
Sanjeev Kumar Agarwal	ID/NED	4	3	Present	-	-	-	-

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

NED/ID : Non-Executive Director/Independent Director

C : Chairman M : Member

d. Re-appointment of Retiring Director(s):

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

Shri K.Bhupal Reddy

Shri K. Bhupal Reddy, aged about 73 years is engaged in business of Civil and Engineering contracts and has professional experience of over 46 years behind him. He is also the Managing Director of NLR Property Developers Private Limited., a Company engaged in the business of development of real estate activities. In addition to the above he was also holding Directorship as a Nominee Director on behalf of Financial Institutions for advising on various financial disciplines matters. Further he was a member in Creative Advisory Committee of All India Prasara Bharati.

e. Four 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 May, 2012, 11th August, 2012, 10th November, 2012 and 11th February, 2013.

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, Internal Auditors and Cost Auditor 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. Bhupal Reddy	Chairman, Independent, Non-Executive
2.	Shri M. Srikanth Reddy	Member, Independent, Non-Executive
3.	Shri Sanjeev Kumar Agarwal	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 May, 2012, 11th August, 2012, 10th November, 2012 and 11th February, 2013.

Meetings and attendance during the year

There were four meetings of the Audit Committee during the year 2012-2013.

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

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

The Statutory Auditors, Internal Auditors and Cost Auditors of the Company have also attended the above meetings on invitation. The Company has followed recommendations made by the Audit Committee from time to time. 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.Bhupal Reddy	Chairman, Independent, Non-Executive
2.	Shri M. Srikanth Reddy	Member, Independent, Non-Executive
3.	Shri Sanjeev Kumar Agarwal	Member, Independent, Non-Executive

No Meetings were held during the year 2012-2013.

Remuneration Policy

A. Remuneration to Non-Executive Directors

The Non-executive Directors are being paid sitting fees @ ₹ 2,000/- for each meeting of the Board or any committee thereof attended by them. The Board of Directors has approved the compensation of the Non-Executive Directors.

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

Payments of Remuneration of Chairman and Managing Director and Whole-time Director, approved by the Board and is within the limits setout 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, 2013:

Name of the Director	Salary (₹)	Perquisites (₹)	Sitting Fees (₹)	Total (₹)	Service Contract
Shri Vijay Kumar Gupta	24,00,000	1,44,000	–	25,44,000	Contractual*
Shri Susheel Kumar Gupta	24,00,000	–	–	24,00,000	Contractual*
Shri R.Malhotra	15,00,000	–	–	15,00,000	Contractual*
Shri M. Srikanth Reddy	–	–	18,000	18,000	Retirement by rotation
Shri K. Bhupal Reddy	–	–	24,000	24,000	Retirement by rotation
Shri Sanjeev Kumar Agarwal	–	–	18,000	18,000	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 45 letters/complaints from the shareholders and all of them were resolved satisfactorily except two 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.Bhupal Reddy	Chairman, Independent, Non-Executive
2.	Shri M. Srikanth Reddy	Member, Independent, Non-Executive
3.	Shri Sanjeev Kumar Agarwal	Member, Independent, Non-Executive

Compliance Officer

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

Meetings and attendance

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

29th May, 2012, 11th August, 2012, 10th November, 2012 and 11th February, 2013.

Meetings and attendance during the year

There were four meetings of the Shareholders' Grievance Committee during the year 2012-2013. The attendance of each Member of the Committee is given below:

SI.No.	Name of the Director	No.of Meetings Attended
1.	Shri. K. Bhupal Reddy	4
2.	Shri M. Srikanth Reddy	3
3.	Shri Sanjeev Kumar Agarwal	3

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
2009-2010	25.09.2010	The Federation of A.P. Chamber of Commerce & Industry, Federation House, 11-6-841, Red Hills, Hyderabad-500 040.	11.00 A.M
2010-2011	02.08.2011	The Federation of A.P. Chamber of Commerce & Industry, Federation House, 11-6-841, Red Hills, Hyderabad-500 040	11.00 A.M
2011-2012	27.09.2012	The Federation of A.P. Chamber of Commerce & Industry, Federation House, 11-6-841, Red Hills, Hyderabad-500 040	11.00 A.M

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 Note 27 of Notes on Accounts under point No: 11 to the Accounts in the Annual Report.

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

9. Means of Communication

- 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 forty five days/ sixty days of the close of the respective period.
- 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.
- As the Company's quarterly/half yearly financial results are published in press, the same are not mailed to the Shareholders.
- 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 : 27th September, 2013, 3.30 P.M.
Surana Udyog Auditorium
The Federation of AP Chamber of
Commerce & Industry, Federation House,
11-6-841, Red Hills, Hyderabad-500 004.
- Financial Calendar : 1st April to 31st March.
First Quarter Results - 15th of August, 2013*
Half yearly Results - 15th of November, 2013*
Third Quarter Results - 15th of February, 2013*
Results for the year ending 31.03.2014
End of May, 2014. * Provisional
- Date of Book Closure : 23rd September, 2013 to 27th September, 2013
(both days inclusive)
- Listing on Stock Exchanges : The Bombay Stock Exchange Limited
Madras Stock Exchange Limited
- Stock Code : 530151 on Bombay Stock Exchange Limited
- ISIN Number for NSDL & CDSL : INE 256 G01033
- Market price data:
Monthly High/Low of market price of the Company's shares traded on the Bombay Stock Exchange,
Mumbai (BSE)

Sl.No.	Month	High (₹)	Low (₹)
1	April, 2012	27.00	23.50
2	May, 2012	25.90	20.40
3	June, 2012	21.95	18.05
4	July, 2012	22.45	17.55
5	August, 2012	20.30	16.50
6	September, 2012	19.45	17.00
7	October, 2012	20.40	15.90
8	November, 2012	17.90	14.10
9	December, 2012	20.20	16.10
10	January, 2013	18.00	15.20
11	February, 2013	16.50	12.15
12	March, 2013	13.44	9.15

● **Unpaid/Unclaimed Dividend**

Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account is required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 205C of the Companies Act, 1956.

Shareholders of the Company who have not received or encashed their dividend warrants for the financial years, as mentioned below, are requested to claim the unpaid/unclaimed dividend from the Company before its transfer to the above mentioned Fund.

Year	Dividend - Type	Date of Declaration	Due Date of Transfer
2005-2006	Final	28.09.2006	10.11.2013
2006-2007	Final	26.09.2007	09.11.2014
2007-2008	Final	27.09.2008	09.11.2015
2008-2009	Final	24.09.2009	06.11.2016
2009-2010	Final	25.09.2010	04.11.2017
2010-2011	Final	02.08.2011	11.09.2018

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

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 31.03.2013.

Distribution of Shareholding:

No. of equity Shared held	No. of Shareholders	%	No. of Shares	%
Up to 5000	13187	92.49	1323089	11.50
5001 to 10000	551	3.86	418327	3.64
10001 to 20000	254	1.78	363807	3.16
20001 to 30000	88	0.62	222956	1.94
30001 to 40000	45	0.32	159922	1.39
40001 to 50000	29	0.20	134232	1.17
50001 to 100000	58	0.41	412528	3.59
100001 and above	45	0.32	8465139	73.61
Grand Total	14257	100	11500000	100
Physical Mode	57	0.40	23746	0.21
Demat Mode	14200	99.60	11476254	99.79

Shareholding Pattern as on 31.03.2013:

Sl.No.	Category	No. of shares	%
1	Promoters	53,80,045	46.78
2	UTI & Mutual Funds	-	-
3	Banks, Financial Institutions & Insurance Companies	15,00,000	13.04
4	Foreign Institutional Investors	-	-
5	Private Bodies Corporate	8,65,639	7.53
6	Indian Public	36,83,196	32.03
7	NRIs/ OCBs	31,938	0.28
8	Clearing Members	39,182	0.34
	Total	1,15,00,000	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 11476254 Shares amounting to 99.79% of the capital have been dematerialized by investors as on 31.03.2013.

- Reconciliation of Share Capital : The Company gets the certificate 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 and same being placed before the Board of Directors on a quarterly basis and also sent to the Stock Exchanges where the Company's shares are listed.
- Plant Location : Survey No: 139 to 141 & 143
Village Rajapoor, Mandal Balanagar,
Dist: Mahaboobnagar, Andhra Pradesh.
- Address for correspondence : To be addressed to
Aarthi Consultants Pvt. Ltd.
1-2-285, Domalguda, Hyderabad-500 029
Phone: 040-27638111, 27634445; Fax: 040-27632184
Email: info@aarthiconsultants.com
Web: www.aarthiconsultants.com.
- Investor Correspondence / Query on Annual Report, Sub-Division, Revalidation of Dividend Warrants etc. : S .Nagarajan
Company Secretary
Vijay Textiles Limited, Surya Towers, Ground Floor,
104, Sardar Patel Road, Secunderabad-500 003
Ph.No. 040-27848479, 27844086, Fax : 040-27846849
Email: Info@vijaytextiles.in ; Web: www.vijaytextiles .in

● **Depository Services**

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

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

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

- Nomination Facility : Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 109(A) of the Companies Act, 1956 are requested to submit to the Company in the prescribed form 2B for this purpose.
- Company's Policy on prevention of insider trading : Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company had framed a Code of Conduct for prevention of insider trading. Shri S. Nagarajan, Company Secretary, had been appointed as the Compliance Officer for this purpose. The code is applicable to all such employees of the Company, who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism.

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 household 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, 2013, as envisaged in Clause 49 of the Listing Agreement with Stock Exchanges.

Place : Secunderabad
Date : 30th May, 2013

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, 2013, 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 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 above mentioned 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 NEETH & CO**
Chartered Accountants
Firm Registration number: 002460S

Place : Secunderabad
Date : 30th May, 2013

(LAXMINIWAS SHARMA)
Partner
Membership No.014244

To
The Members
Vijay Textiles Limited
104, Surya Towers, S P Road, Secunderabad-500 003

We have audited the accompanying financial statements of Vijay Textiles Limited which comprise the Balance Sheet as at March 31, 2013, Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 account as required by law have been kept by the company so far as appears from our examination of those books ;
 - c. The balance sheet, statement of profit and loss, and cash flow statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the balance sheet, statement of profit and loss, and cash flow statement 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 March 31, 2013, and taken on record by the board of directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the companies act, 1956.

For **LAXMINIWAS NEETH & CO**
Chartered Accountants
Firm Registration number: 002460S

Place: Secunderabad
Date : 30th May, 2013

(LAXMINIWAS SHARMA)
Partner
Membership No.014244

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

VIJAY TEXTILES LIMITED

[Referred to in paragraph I under the heading of "Report on Other Legal and Regulatory Requirements" of our report on even date]

- (i) In respect of its fixed assets:
 - 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. No major part of fixed assets was disposed off during the year hence do not affect the going concern assumption.
- (ii) In respect of its inventories:
 - a. The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. According to the information and explanation given to us, 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) In respect of loans , secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - 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. According to the information and explanations given to us, during the year the Company has taken unsecured loans from two parties, a sum of ₹ 2,566.75 Lakhs and repaid ₹ 4,155.49 Lakhs to two parties and the total amount outstanding as on 31.03.2013 was ₹ 717 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 principal 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) In respect of the contracts or arrangements referred to in section 301 of the Companies Act, 1956
- In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred in section 301 of Companies Act, 1956 have been entered in the register required to be maintained under that section.
 - 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) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of 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) In respect of statutory dues:
- 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.
 - According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Wealth tax, Service tax, Sales tax, Customs duty, Excise duty, Investor Education and Protection Fund, Cess and other material statutory dues were in arrears, as at 31.03.2013 for a period of more than six months from the date of became payable.
 - According to the information and explanations given to us, there are no dues of Sales tax, Service tax, Municipal tax, Customs duty, Excise duty and Wealth tax which have not been deposited with the appropriate authorities on account of any dispute except as under:

(₹ in lakhs)

Nature of Dues	Assessment year	Amount outstanding	Appeal pending with
Income Tax	2009-10	16.34	ITAT
	2010-11	129.34	CIT-III

- (x) In our opinion, the company has no accumulated losses as at 31.03.2013 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.
- (xvi) According to the information and explanations given to us, the term loans availed by the company were, prima facie, applied by the company during the year for the purposes for which they were obtained.
- (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 not made any preferential allotment during the year to the parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanation given to us, during the year 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) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the year.

For **LAXMINIWAS NEETH & CO**
Chartered Accountants
Firm Registration number: 002460S

Place : Secunderabad
Date : 30th May, 2013

(LAXMINIWAS SHARMA)
Partner
Membership No.014244

**BALANCE SHEET AS AT
31ST MARCH, 2013**



TEXTILES LIMITED

	Note No	As at 31.03.2013		As at 31.03.2012	
		₹	₹	₹	₹
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	61,50,02,689		61,50,02,689	
Reserves & Surplus	2	58,21,52,611		58,52,89,192	
Money received against share warrants			0	119,71,55,300	50,00,000
					120,52,91,881
Non-Current Liabilities					
Long Term Borrowings	3	63,19,23,492		86,71,80,959	
Deferred Tax Liabilities (Net)	4	11,28,39,481		10,06,13,440	
Other Long Term Liabilities	5	0	74,47,62,973	9,06,95,600	105,84,89,999
Current Liabilities					
Short Term Borrowings	6	84,38,82,391		89,00,42,836	
Trade Payables	7	6,26,03,710		11,53,65,675	
Other Current Liabilities	8	21,30,12,067		11,71,40,621	
Short Term Provisions	9	36,80,039	112,31,78,207	24,20,773	112,49,69,905
TOTAL			306,50,96,480		338,87,51,785
ASSETS					
Non-Current Assets					
Fixed Assets	10				
Tangible Assets		99,97,55,331		92,49,44,587	
Intangible Assets		3,76,698		5,19,142	
Capital Work-in-Progress		1,32,81,702		94,15,66,830	
Long-Term Loans and Advances	11	2,22,13,359		2,16,20,345	
Other Non-Current Assets	12	50,22,233	104,06,49,323	22,10,373	189,08,61,277
Current Assets					
Inventories	13	94,63,65,649		89,60,02,403	
Trade Receivables	14	61,04,54,203		55,71,73,314	
Cash and Cash Equivalents	15	61,77,337		1,62,21,387	
Short Term Loans and Advances	16	43,80,87,283		62,93,658	
Other Current Assets	17	2,33,62,685	202,44,47,157	2,21,99,746	1,49,78,90,508
TOTAL			306,50,96,480		338,87,51,785
Significant Accounting Policies	26				
Notes to Accounts	27				

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

As per our Report of even date
for **LAXMINIWAS NEETH & CO**
Firm Registration Number:002460S
Chartered Accountants

For and on behalf of the Board

Laxminiwas Sharma
Partner
Membership No.014244

Vijay Kumar Gupta
Chairman & Managing Director

Susheel Kumar Gupta
Executive Director

Place : Secunderabad
Date : 30.05.2013

R. Malhotra
Finance Director

S Nagarajan
Company Secretary

**STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED
31ST MARCH, 2013**



TEXTILES LIMITED

	Note No	For the Year ended 31.03.2013 ₹	For the Year ended 31.03.2012 ₹
REVENUE			
Revenue from Operations		92,63,57,219	99,67,73,309
Other Income	18	3,49,77,135	1,05,89,492
Total Revenue from Operations		96,13,34,354	100,73,62,801
EXPENSES:			
Cost of Materials Consumed	19	46,17,80,543	55,53,60,534
Purchase of Stock -in -Trade		4,07,12,500	2,75,22,792
Packing Material Consumed	20	87,23,219	53,87,845
Changes in Inventories of Finished Goods and Work -in-Progress	21	(4,04,84,654)	(5,21,47,550)
Manufacturing Expenses	22	6,50,21,938	5,71,83,134
Employee Benefits Expenses	23	5,20,09,835	4,37,57,244
Finance Costs	24	23,30,86,486	27,24,68,589
Depreciation and Amortization Expenses		6,00,33,786	5,30,30,003
Other Expenses	25	7,53,98,555	7,52,01,625
Total Expenses		95,62,82,208	103,77,64,216
Profit Before Extraordinary Items and Tax		50,52,146	(3,04,01,415)
Extraordinary Items-Prior Year Adjustments (Income)		0	4,12,17,899
Profit before tax		50,52,146	1,08,16,484
Tax Expenses:			
a) Earlier year		0	4,031
b) Current tax		9,62,686	21,64,135
c) Deferred tax		1,22,26,041	35,03,730
Profit/(Loss) for the period from Continuing Operations		(81,36,581)	51,44,588
Profit / (Loss) for the period		(81,36,581)	51,44,588
Weighted Average Number of Equity Shares-Basic		1,15,00,000	1,15,00,000
Nominal value per share		10/-	10/-
Earnings per Equity Share			
1) Basic		(0.71)	0.45
2) Diluted		(0.71)	0.43
Significant Accounting Policies	26		
Notes to Accounts	27		

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

As per our Report of even date
for **LAXMINIWAS NEETH & CO**
Firm Registration Number:002460S
Chartered Accountants

For and on behalf of the Board

Laxminiwas Sharma
Partner
Membership No.014244

Vijay Kumar Gupta
Chairman & Managing Director

Susheel Kumar Gupta
Executive Director

Place : Secunderabad
Date : 30.05.2013

R. Malhotra
Finance Director

S Nagarajan
Company Secretary

**CASH FLOW STATEMENT FOR THE
YEAR ENDED 31ST MARCH, 2013**



TEXTILES LIMITED

	2012-2013		2011-2012	
	₹	₹	₹	₹
A. Cash from Operating Activities:				
Net -profit before tax and extraordinary items		50,52,146		(3,04,01,415)
Adjustment for				
- Depreciation	6,00,33,786		5,30,30,003	
- Interest	23,30,86,486		27,24,68,589	
- Loss on sale of fixed assets	11,18,960		35,962	
- Interest received	(9,42,030)		(10,55,879)	
- Interest Subsidy Received	(62,29,037)		(82,96,782)	
- Compensation Received	(2,56,35,437)		0	
		26,14,32,728		31,61,81,893
Operating Profit Before Working Capital Changes		26,64,84,874		28,57,80,478
Adjustment for				
- Trade & other receivables	(48,90,28,212)		(8,38,17,165)	
- Inventories	(5,03,63,246)		(1,17,23,505)	
- Trade payable	4,43,68,748		(13,21,72,428)	
		(49,50,22,710)		(22,77,13,098)
Cash generated from operations		(22,85,37,836)		5,80,67,380
- Direct taxes paid	(15,76,802)		(63,18,105)	
		(15,76,802)		(63,18,105)
CASH FLOW BEFORE EXTRAORDINARY ITEMS		(23,01,14,638)		5,17,49,275
EXTRAORDINARY ITEMS		0		4,12,17,899
Net Cash Flow From Operating Activities (A)		(23,01,14,638)		9,29,67,174
B. Cash Flow From Investing Activities				
Purchase of fixed assets	(13,90,66,046)		(21,80,44,834)	
Decrease in Capital work in Progress	92,82,85,128		0	
Compensation Received	2,56,35,437		0	
Sale of fixed assets	32,45,000		76,95,000	
Interest received	9,42,030		10,55,879	
		81,90,41,549		(20,92,93,955)
Net Cash Used in Investing Activities (B)		81,90,41,549		(20,92,93,955)

**Cash Flow Statement For The Year
Ended 31st March, 2013 (Contd.)**



TEXTILES LIMITED

	2012-2013		2011-2012	
	₹	₹	₹	₹
C. Cash Flow From Financing Activities				
Increase in short term borrowings	(4,61,60,445)		9,07,06,475	
Decrease in long term borrowings	(23,52,57,467)		(28,13,23,336)	
Increase in deferred payment liability	(9,06,95,600)		9,06,95,600	
Proceeds from preference share capital	0		50,00,00,000	
Interest Subsidy Received	62,29,037		82,96,782	
Interest paid	(23,30,86,486)		(27,24,68,589)	
Dividend paid	0	(59,89,70,961)	(1,33,65,588)	12,25,41,344
Net Cash Used in Financing Activities (C):		(59,89,70,961)		12,25,41,344
Net decrease in cash and cash equivalents (A+B+C)		(1,00,44,050)		62,14,563
Opening cash and cash equivalents		1,62,21,387		1,00,06,824
Closing cash and cash equivalents		61,77,337		1,62,21,387

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

As per our Report of even date
for **LAXMINIWAS NEETH & CO**
Firm Registration Number:002460S
Chartered Accountants

For and on behalf of the Board

Laxminiwas Sharma
Partner
Membership No.014244

Vijay Kumar Gupta
Chairman & Managing Director

Susheel Kumar Gupta
Executive Director

Place : Secunderabad
Date : 30.05.2013

R. Malhotra
Finance Director

S Nagarajan
Company Secretary

**NOTES FORMING PART OF
BALANCE SHEET**



TEXTILES LIMITED

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
NOTE : I		
SHARE CAPITAL:		
AUTHORISED		
2,00,00,000 Equity Shares of ₹ 10/- each (Previous Year : 2,00,00,000 Equity Shares of ₹ 10/- each)	20,00,00,000	20,00,00,000
50,00,000, 10% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 100/- each (Previous Year:50,00,000 10% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 100/- each)	50,00,00,000	50,00,00,000
TOTAL	70,00,00,000	70,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
1,15,00,000 ,Equity Shares of ₹ 10/- each (Previous Year : 1,15,00,000 Equity Shares of ₹ 10/-each)	11,50,00,000	11,50,00,000
50,00,000, 10% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 100/- each (Previous Year : 50,00,000 10% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 100/- each)	50,00,00,000	50,00,00,000
Share Forfeiture	2, 689	2, 689
TOTAL	61,50,02,689	61,50,02,689

NOTES:

A) Reconciliation of Shares:

Particulars	2012-2013 No. of Shares	2011-2012 No. of Shares
Equity Shares :		
Issued, Subscribed and Paid-Up Capital:		
At the beginning of the period	1,15,00,000	1,15,00,000
Issued during the period	0	0
At the closing of the period	1,15,00,000	1,15,00,000
Face value per Share	₹ 10/-	₹ 10/-
Total Paid Up Value	₹ 11,50,00,000	₹ 11,50,00,000
Preference Shares :		
At the beginning of the period	50,00,000	0
Issued during the period	Nil	50,00,000
At the closing of the period	50,00,000	50,00,000
Face value per Share	₹ 100/-	₹ 100/-
Total Paid Up Value	₹ 50,00,00,000	₹ 50,00,00,000

- B)** The Non-Convertible Cumulative Redeemable Preference Shares (NCPS) of ₹ 100/- each allotted to Shri Vijay Kumar Gupta, Promoter of the Company shall be entitled to Cumulative Preference Dividend at 10% per annum of the NCPS Subscription Price. The Dividend shall accrue at the end of each financial year with effect from 1st April,2012. The said shares are redeemable on the completion of a period of 20 years ("Redemption Period") from the date of issue i.e 24th March,2012.
- C)** Equity Shareholders holding more than 5% of Equity Shares along with the number of shares held is as given below:

Name of the Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	%	Number of Shares	%	Number of Shares
Face Value of Shares	-	₹ 10/-	-	₹ 10/-
Vijay Kumar Gupta	26.86	3088816	26.86	3088816
Susheel Kumar Gupta	17.49	2011699	17.49	2011699
State Bank of India	13.04	1500000	13.04	1500000

- D)** Preference Shareholders holding more than 5% of Preference Shares along with the number of shares held is as given below:

Name of the Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	%	Number of Shares	%	Number of Shares
Face Value of Shares		₹ 100		₹ 100
Vijay Kumar Gupta	100	5000000	100	5000000

As at
31.03.2013
₹

As at
31.03.2012
₹

NOTE : 2

RESERVES & SURPLUS

SECURITIES PREMIUM RESERVE	19,43,12,510	19,43,12,510
GENERAL RESERVE		
Opening Balance	31,52,61,541	31,27,61,541
Add: Transfer	0	25,00,000
Closing Balance	31,52,61,541	31,52,61,541
CAPITAL RESERVE		
Opening Balance	1,20,00,000	1,20,00,000
Add: Forfeiture of Share Warrant		
Application money	50,00,000	0
Closing Balance	1,70,00,000	1,20,00,000
Surplus in the statement of Profit & Loss		
Opening Balance	6,37,15,141	6,10,70,553
Add : Profit/(Loss) for the period	(81,36,581)	51,44,588
Less: Transfer to General Reserve	0	25,00,000
Net Surplus in the Statement of Profit & Loss	5,55,78,560	6,37,15,141
TOTAL	58,21,52,611	58,52,89,192

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
NOTE : 3		
NON-CURRENT LIABILITIES :		
Long-Term Borrowings:		
A. Secured		
Term Loan From Banks (Refer Note A)	55,37,49,893	63,11,47,690
Vehicle Loans (Refer Note B)	64,73,599	54,58,993
B. Unsecured		
Loans and Advances from other related parties (Refer Note: C)	7,17,00,000	23,05,74,276
TOTAL	63,19,23,492	86,71,80,959

Notes:

A Term Loans from banks namely State Bank of India, Axis Bank Limited and State Bank of Hyderabad are secured as under:

1. First charge on fixed assets of the company on Pari-Passu basis. Fixed assets of the company include the following immovable/movable properties.
 - a. Equitable mortgage of property of the company located at Surya Towers, Sub-ground floor, 104 Sardar Patel Road Secunderabad.
 - b. Equitable Mortgage of property of the company comprising of land and building situated at Kattedan, Hyderabad.
 - c. Equitable Mortgage of property of company comprising of factory land and building situated at Rajapoor Village, Bala Nagar Mandal Mahaboob Nagar District.
 - d. Equitable mortgage of property located at Surya Towers, Ground Floor, 104 Sardar Patel Road, Secunderabad-500 003, belonging to the promoters namely Mr. Vijay Kumar Gupta, Vijay Kumar Gupta HUF, Mr. Susheel Kumar Gupta and Mrs. Shashikala Gupta.
 - e. Plant and Machinery present and future.
 - f. Other fixed assets.
2. Pledge of 15,00,000 Shares of promoters on Pari-Passu basis.

Further the term loans are collaterally secured by:

3. Extension of pledge of 34,45,999 shares of the Company held by promoters, pledged to Axis Bank Limited in favour of State Bank of India.
4. Pari-Passu second charge on current assets of the company with State Bank of India, Axis Bank Limited and State Bank of Hyderabad.
5. Personal guarantees of the promoters' viz. Mr. Vijay Kumar Gupta, Vijay Kumar Gupta HUF, Mr. Susheel Kumar Gupta, and Mrs. Shashikala Gupta.

Term Loan with State Bank of Hyderabad against Credit Card receivables is secured by:

6. Hypothecation and Escrow of credit card receivables.
7. Term loan is further collaterally secured by Pari-Passu first charge with State Bank of India and Axis Bank Limited on present and future assets of the company.
8. Personal guarantees of the promoters namely Mr. Vijay Kumar Gupta and Mr. Susheel Kumar Gupta.

Terms of Repayment:

1. Axis Bank Term Loan repayable in 24 quarterly instalments of ₹ 57.00 Lakhs each and the last 4 quarterly instalments of ₹ 58.00 Lakhs each ending on 31st March, 2015.
2. State Bank of Hyderabad - Term Loan I repayable in 60 equal monthly instalments of ₹ 13.33 Lakhs ending on 31st March, 2015.
3. State Bank of Hyderabad - Term Loan II repayable in 60 equal monthly instalments of ₹ 67.00 Lakhs commencing from 30th April, 2013 and ending on 31st March, 2018.
4. State Bank of Hyderabad - Term Loan III repayable in 108 equal monthly instalments of ₹ 7.36 Lakhs with a door to door tenor of 9 years 2 months ending on July,2020.
5. State Bank of Hyderabad - Term Loan IV repayable in 108 equal monthly instalments of ₹ 8.06 Lakhs commencing from November,2012 and ending on May,2021.
6. State Bank of India - Term Loan I repayable in 31 quarterly instalments of ₹ 28.91 Lakhs each and the last instalment being ₹ 28.87 Lakhs ending on 30th September, 2015.
7. State Bank of India - Term Loan II repayable in 32 quarterly instalments of ₹ 10.16 Lakhs each ending on 30th September, 2015.
8. State Bank of India - Term Loan IV repayable in 32 quarterly instalments of ₹ 12.50 Lakhs each ending on June, 2017.
9. State Bank of India - Term Loan V repayable in 39 quarterly instalments of ₹ 3.00 Lakhs each ending on June, 2020.

B) Vehicle Loans is secured by way of hypothecation of specific vehicle financed.

Terms of Repayment:

1. Loan taken from HDFC Bank Ltd., under Loan Account No.20325311 is repayable in monthly instalment of ₹ 3.23 Lakhs each inclusive of interest ending on 5th January, 2015.
2. Loan taken from HDFC Bank Ltd., under Loan Account No.21481962 is repayable in monthly instalment of ₹ 1.30 Lakhs each inclusive of interest ending on 5th June,2015.
3. Loan taken from HDFC Bank Ltd., under Loan Account No.22824580 is repayable in monthly instalment of ₹ 0.88 Lakhs each inclusive of interest ending on 7th November,2015.

C) Unsecured Loans are from Shri.Vijay Kumar Gupta, Chairman and Managing Director and Shri. Susheel Kumar Gupta, Executive Director of the Company repayable over a period of 9 years ending on 15th April, 2022.

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
NOTE : 4		
DEFERRED TAX LIABILITIES:		
Opening Balance	10,06,13,440	9,71,09,710
Provision for the year	1,22,26,041	35,03,730
Closing Balance	<u>11,28,39,481</u>	<u>10,06,13,440</u>
NOTE : 5		
OTHER LONG TERM LIABILITIES :		
Deferred Payment Liabilities	<u>0</u>	<u>9,06,95,600</u>
TOTAL	<u>0</u>	<u>9,06,95,600</u>
NOTE : 6		
CURRENT LIABILITIES :		
Short Term Borrowings:		
Working Capital Borrowings from Banks	81,90,28,715	87,52,00,613
Axis Bank Corporate Credit Card	<u>2,48,53,676</u>	<u>1,48,42,223</u>
TOTAL	<u>84,38,82,391</u>	<u>89,00,42,836</u>

Note:

- 1) Working Capital facilities availed by the company from State Bank of India, Axis Bank Limited and State Bank of Hyderabad are secured by:
 - a) Pari-Passu charge on all chargeable current assets of the Company in favor of State Bank of India, Axis Bank Limited and State Bank of Hyderabad (excluding credit card receivables, which are charged to State Bank of Hyderabad alone and are separately dealt with herein).
 - b) Pari-Passu second charge on fixed assets of the Company.

Further the working capital facilities are collaterally secured by:

 - c) Pari-Passu charge on commercial building situated at Ground Floor, Surya Towers, 104, Sardar Patel Road, Secunderabad-500003 belonging to Mr. Vijay Kumar Gupta, Mr. Vijay Kumar Gupta HUF, Mr. Susheel Kumar Gupta and Mrs. Shashikala Gupta by way of equitable mortgage in favor of State Bank of India, Axis Bank Limited and State Bank of Hyderabad.
 - d) Pari-Passu second charge on 15,00,000 Shares of the company belonging to Promoters' which have been pledged with State Bank of India, for working capital limits of State Bank of India, Axis Bank Limited and State Bank of Hyderabad.
 - e) Pari-Passu charge on 34,45,999 Shares of the company belonging to Promoters' which have been pledged with Axis Bank Limited, for working capital limits of State Bank of India and Axis Bank Limited.
 - f) Personal Guarantees of Mr. Vijay Kumar Gupta, Vijay Kumar Gupta HUF, Mr. Susheel Kumar Gupta and Mrs. Shashikala Gupta.

As at
31.03.2013 As at
31.03.2012
₹ ₹

NOTE :7

CURRENT LIABILITIES :

Trade payables:

Trade Payables	6,26,03,710	11,53,65,675
TOTAL	6,26,03,710	11,53,65,675

S.No	Particulars	As at March 31, 2013	As at March 31, 2012
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

NOTE : 8

OTHER CURRENT LIABILITIES :

Term Loan instalments due less than 12 months	15,95,25,500	6,94,53,500
Vehicle Loan instalments due less than 12 months	54,13,781	43,39,397
Interest Accrued and Due on Borrowings	81,90,841	83,85,107
Un claimed Dividend	15,28,934	16,20,581
Other Liabilities	3,83,53,011	3,33,42,036
TOTAL	21,30,12,067	11,71,40,621

NOTE : 9

SHORT TERM PROVISIONS:

Provision for Bonus	9,88,028	9,77,665
Provision for Leave Encashment	11,84,028	11,65,240
Provision for Incentives	1,91,874	2,77,868
Provision for Gratuity	13,16,109	0
TOTAL	36,80,039	24,20,773

NOTE : 10											
Non-Current Assets:											
FIXED ASSETS											
Sl. No.	Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As at 01.04.2012 ₹	Additions/ Adjustments ₹	Deductions ₹	As at 31.03.2013 ₹	Upto 31.03.2012 ₹	For the year ₹	Adjustments ₹	Upto 31.03.2013 ₹	As at 31.03.2013 ₹	As at 31.03.2012 ₹
TANGIBLE ASSETS											
1	Land - freehold	7,62,54,798	0	0	7,62,54,798	0	0	0	0	7,62,54,798	7,62,54,798
2	Buildings	30,01,28,495	1,43,51,225	0	31,44,79,720	3,61,38,963	98,09,213	0	4,59,48,176	26,85,31,544	26,39,89,532
3	Plant & Machinery	41,36,51,827	10,82,53,501	19,21,743	51,99,83,585	10,20,92,157	2,66,63,656	16,71,143	12,70,84,670	39,28,98,915	31,15,59,670
4	Electrical Fittings	7,62,70,400	69,35,321	0	8,32,05,721	1,58,62,794	40,39,688	0	1,99,02,482	6,33,03,239	6,04,07,606
5	Furniture & Fittings	24,91,51,780	27,60,912	0	25,19,12,692	6,33,67,600	1,57,55,428	0	7,91,23,028	17,27,89,664	18,57,84,180
6	Office Equipment	40,02,468	33,600	0	40,36,068	18,68,902	1,84,742	0	20,53,644	19,82,424	21,33,566
7	Vehicles	3,54,76,568	65,11,777	66,79,315	3,53,09,030	1,12,02,982	32,73,823	25,65,955	1,19,10,850	2,33,98,180	2,42,73,586
8	Computers	25,95,830	2,19,710	0	28,15,540	20,54,181	1,64,792	0	22,18,973	5,96,567	5,41,649
Sub Total A		115,75,32,166	13,90,66,046	86,01,058	128,79,97,154	23,25,87,579	5,98,91,342	42,37,098	28,82,41,823	99,97,55,331	92,49,44,587
INTANGIBLE ASSETS:											
9	Computer Software	9,67,652	0	0	9,67,652	4,48,510	1,42,444	0	5,90,954	3,76,698	5,19,142
Sub Total B		9,67,652	0	0	9,67,652	4,48,510	1,42,444	0	5,90,954	3,76,698	5,19,142
TOTAL (A+B)		115,84,99,818	13,90,66,046	86,01,058	128,89,64,806	23,30,36,089	6,00,33,786	42,37,098	28,88,32,777	100,01,32,029	92,54,63,729
Previous Year		111,50,84,263	5,76,84,038	1,42,68,483	115,84,99,818	18,65,43,607	5,30,30,003	65,37,521	23,30,36,089	92,54,63,729	92,85,40,656
Capital Work-in Progress										1,32,81,702	94,15,66,830

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
NOTE : 11		
LONG TERM LOANS AND ADVANCES:		
(Un Secured, Considered Good)		
Rental Deposit	1,69,81,000	1,69,81,000
Deposits with suppliers and for Services	5,00,133	4,75,803
Deposits with Government Bodies	47,32,226	41,63,542
TOTAL	2,22,13,359	2,16,20,345
NOTE :12		
OTHER NON-CURRENT ASSETS:		
Advances for Capital Assets	15,40,000	6,00,000
Power Subsidy Receivable	34,82,233	16,10,373
TOTAL	50,22,233	22,10,373
NOTE :13		
INVENTORIES:		
(At lower of cost or net realizable value)		
Raw-Material	5,94,58,308	5,18,63,694
Work- in- Progress	1,11,74,570	2,57,40,666
Finished Goods	84,73,79,961	79,23,29,211
Stores & Consumables	2,83,52,810	2,60,68,832
TOTAL	94,63,65,649	89,60,02,403
NOTE:14		
TRADE RECEIVABLES :		
(Un Secured, Considered Good)		
Outstanding for a period exceeding six months	11,64,60,602	15,91,57,566
Others	49,39,93,601	39,80,15,748
TOTAL	61,04,54,203	55,71,73,314
NOTE:15		
CASH AND CASH EQUIVALENTS :		
Cash on Hand	2,90,425	5,90,590
Bank Balance with Scheduled Banks		
- In Current Accounts	35,94,705	47,01,220
- In Un Claimed Dividend Accounts (Refer Note a)	15,28,934	16,20,581
- In Term Deposit Account (Refer Note b)	7,63,273	93,08,996
TOTAL	61,77,337	1,62,21,387

	As at 31.03.2013	As at 31.03.2012
	₹	₹

Notes:

- a) Section 205 of Companies Act, 1956 mandates that companies transfer dividend that has been unclaimed for a period of seven years from unpaid dividend account to the Investor Education and Protection Fund (IEPF). Accordingly, if dividend is unclaimed for a period of seven years, it will be transferred to IEPF.
- b) Term deposits are held as margins for issue of Bank Guarantees.

NOTE:16

SHORT TERM LOANS AND ADVANCES:

(Un Secured and Considered Good)

Advances for Supplies and Services	0	25,02,181
Pre Paid Expenses	28,27,573	31,98,948
Receivable against sale of property	43,48,50,000	0
Loans and Advances to Employees	3,94,069	5,76,890
Other Advances	15,641	15,639
TOTAL	43,80,87,283	62,93,658

NOTE:17

OTHER CURRENT ASSETS:

Interest Accrued on Deposits	0	5,10,678
Income Tax Receivable	1,24,41,988	91,93,340
Interest Receivable	3,46,709	1,93,384
Interest Subsidy Receivable	33,76,617	50,63,827
Other Current Assets	71,97,371	72,38,517
TOTAL	2,33,62,685	2,21,99,746

	For the Year ended 31.03.2013 ₹	For the Year ended 31.03.2012 ₹
NOTE:18		
OTHER INCOME:		
Interest Earned	9,42,030	10,55,879
Interest Subsidy Received	62,29,037	82,96,782
Power Subsidy Received	18,71,860	10,49,990
Compensation Received	2,56,35,437	0
Miscellaneous Income	2,98,771	1,86,841
TOTAL	3,49,77,135	1,05,89,492
NOTE:19		
COST OF RAW MATERIALS CONSUMED:		
Opening Stock	5,18,63,694	9,13,30,647
Add: Purchases	46,93,75,157	51,58,93,581
	52,12,38,851	60,72,24,228
Less: Closing Stock	5,94,58,308	5,18,63,694
Consumption	46,17,80,543	55,53,60,534
NOTE:20		
PACKING MATERIAL CONSUMED :		
Opening Stock	44,84,806	39,16,076
Add: Purchases	88,86,599	59,56,575
	1,33,71,405	98,72,651
Less: Closing Stock	46,48,186	44,84,806
Consumption	87,23,219	53,87,845
NOTE:21		
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS :		
OPENING STOCK		
Finished Goods	79,23,29,211	75,15,12,151
Stock in Process	2,57,40,666	1,44,10,176
TOTAL (A)	81,80,69,877	76,59,22,327
CLOSING STOCK		
Finished Goods	84,73,79,961	79,23,29,211
Stock in Process	1,11,74,570	2,57,40,666
TOTAL (B)	85,85,54,531	81,80,69,877
Net Increase/(Decrease) in Stocks (A-B)	4,04,84,654	5,21,47,550

	For the Year ended 31.03.2013 ₹	For the Year ended 31.03.2012 ₹
NOTE: 22		
MANUFACTURING EXPENSES:		
Carriage & Freight	57,23,092	56,14,990
Firewood	1,83,44,908	1,50,13,298
Power & Fuel	1,52,54,816	1,34,66,898
Consumption of Design & Development	34,81,273	49,56,243
Consumption of Stores & Consumables	47,07,595	50,58,476
Other Manufacturing Expenses	1,06,54,269	63,61,108
Repairs to Plant & Machinery	17,10,993	13,95,611
Effluent Treatment Plant Expenses	51,44,992	53,16,510
TOTAL	<u>6,50,21,938</u>	<u>5,71,83,134</u>
NOTE : 23		
EMPLOYEE BENEFITS EXPENSES :		
Managerial Remuneration	64,44,000	49,44,000
Office Staff Salaries	1,31,72,120	1,13,37,689
Factory Wages & Salaries	2,06,78,641	1,82,39,851
Employee's Benefits	30,87,470	26,05,108
Incentives	29,88,638	29,71,230
Gratuity	21,52,469	2,96,159
Contribution to P.F and E.S.I	34,86,497	33,63,207
TOTAL	<u>5,20,09,835</u>	<u>4,37,57,244</u>
NOTE:24		
FINANCE COSTS:		
Interest Charges	22,60,78,909	26,58,07,713
Other borrowing Charges	63,53,381	59,40,960
Bank and Finance Charges	6,54,196	7,19,916
TOTAL	<u>23,30,86,486</u>	<u>27,24,68,589</u>

For the Year ended
31.03.2013
₹

For the Year ended
31.03.2012
₹

NOTE:25

OTHER EXPENSES:

Rent	27,03,708	27,03,708
Lease Rental Charges	2,28,30,834	2,06,39,331
Donations	50,000	0
Rates, Taxes, Licences & Fees	25,48,380	62,02,410
Printing & Stationery	9,81,987	13,86,745
Postage, Telegram & Telephones	16,71,472	19,60,058
Office Electricity & Water	1,21,85,919	1,09,53,778
Travelling & Conveyance	26,45,547	24,75,537
Advertisement & Publicity	29,43,823	35,87,019
Agents Commission	87,21,552	72,75,034
Selling Expenses	52,26,883	60,27,537
Insurance	32,57,690	24,82,242
Remuneration to Auditors :		
Audit Fees	4,04,496	4,04,496
Tax Audit Fees	89,888	89,888
Certification Fees/Taxation matters	11,236	11,236
Directors' Sitting Fees	60,000	1,12,000
Legal & Professional Charges	10,45,272	21,02,308
Security Service Charges	20,53,150	15,08,453
Repairs to Buildings	1,00,692	3,84,300
Repairs to Other Assets	23,34,773	24,31,782
Vehicle Maintenance	13,24,496	14,74,872
Miscellaneous Expenses	10,87,797	9,52,929
Loss on Sale of Fixed Assets	11,18,960	35,962
TOTAL	7,53,98,555	7,52,01,625

NOTE : 26

A. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

The financial statements of Vijay Textiles Limited (VTL or Company) have been prepared with Generally Accepted Accounting Principles (GAAP) in India 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. All expenditure of capital nature is capitalized. Such expenditure comprises of purchase price, import duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use. 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 with. Grants and subsidies received during the year related to specific fixed assets are shown as deduction from the gross value of the asset concerned.

4. REVENUE RECOGNITION

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

5. 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.

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. Net realizable value is the estimated selling value in the ordinary course of business less estimated cost of completion and estimated cost necessary to make sale.

7. RETIREMENT BENEFITS

a) Defined Contribution Plan:

Contribution as per the Employee's Provident Fund 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 take place. The Company recognizes gains/losses on foreign exchange rate fluctuations relating to current assets and current liabilities at the end of the year.

9. 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.

10. 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.

11. IMPAIRMENT OF ASSETS

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

12. 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.

NOTE: 27

NOTES ON ACCOUNTS

1. Contingent Liability and Commitments (to the extent not provided for)
 - a) Contingent Liability not provided for in respect of claims against the Company not acknowledge as debts:
 - Counter Guarantee given to Bankers towards the Bank Guarantee ₹ 62.80 Lakhs. (Previous year ₹ 62.80 Lakhs).
 - Export Obligation of ₹ 9,39,30,216/- (US\$ 23,36,573) over a period of 8 years ending on 07.04.2016 for concessional duty availed for import of machinery out of which export made during the year ₹ 2,28,935/- (Previous Year: ₹ 14,18,262/-).
 - Export Obligation of ₹ 5,87,13,076.08/- (US \$ 12,50,544.75) over a period of 6 years ending on 09.08.2016 for concessional duty availed for import of machinery.
 - Export Obligation of ₹ 11,36,33,520/- (US\$ 22,70,400) over a period of 8 years ending on 28.11.2019 for concessional duty availed for import of machinery.
 - Income Tax demand of ₹ 32.69 Lakhs for the assessment year 2009-10 (Previous Year - ₹ 32.69) for which the Company has filed appeal before the competent Income Tax Authority and in meanwhile has paid an amount of ₹ 16.34 Lakhs in two installments on 28.02.13 and 15.03.2013 as per the orders of CIT Range-3.
 - Income Tax demand of ₹ 149.34 Lakhs for the assessment year 2010-11 (Previous Year - NIL) for which the Company has filed appeal before the competent Income Tax Authority and in the meanwhile has paid an amount of ₹ 20.00 Lakhs till 15.05.2013 in compliance of orders of CIT Range-3.
 - Shubham Creations, Bhiwandi Thane District had filed an arbitration case against the company before the Hindustan Chamber of Commerce (HCC), Mumbai. HCC had directed the Company to pay a sum of ₹ 6,51,438/- inclusive of interest. The Company has preferred an appeal before Bombay High Court.
 - b) Estimated amount of liability on account of Capital Commitments of ₹ 100.64 Lakhs. (Previous year ₹ 2624.07 Lakhs includes ₹ 2603.45 Lakhs towards Software Park).
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. Capital Work in Progress is ₹ 1.33 Crores. (Previous year Embroidery Unit Phase-III ₹ 11.94 Crores and ₹ 81.33 Crores towards Software Park).
4. During the year the Company entered into a deed of cancellation with the developer on 7th February, 2013 for withdrawing from the Multistoried IT Park (Tech-Park Project).
5. The Company has not provided for the preference dividend of 10% amounting to ₹ 5.00 Crores due to inadequacy of profit.
6. Loans and advances include advances for Capital Assets 15.40 Lakhs (Previous Year ₹ 6.00 Lakhs).

7. Additional Information pursuant to the provisions of Schedule VI of the Companies Act, 1956. (In ₹)

S. No.	Particulars	2012-2013	2011-2012
1.	Value of Imports (CIF Basis): Capital Goods	0	9,46,87,681
2.	Expenditure in Foreign Currency on account of Travelling Expenses	3,16,267	1,79,323
3.	Earnings of Foreign Currency FOB value of Exports	80,23,890	1,45,22,531

8. Employee Benefits:

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

Defined Contribution Plan:

(In ₹)

	2012-2013	2011-2012
Employer's Contribution to Provident Fund	20,51,716	19,89,193
Employer's Contribution to ESI	11,59,514	11,07,128

Defined Benefit Plan:

The employees gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognized each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit to build up the final obligation. Reconciliation of opening and closing balances of Defined benefit obligation as below:

(In ₹)

	2012-2013	2011-2012
I. Assumptions:		
Discount Rate	7.50%	7.50%
Rate of Return on Plan Assets	11.00%	11.00%
Salary Escalation Average for next seven years	6.00%	6.00%
II. Table Showing Change in Benefit Obligation :		
Liability at the beginning of the year	51,27,431	45,04,642
Interest Cost	3,69,992	3,35,944
Current Service Cost	9,97,952	8,65,004
Benefit Paid	(3,88,421)	(50,769)
Actuarial (gain)/loss on obligations	6,75,901	(5,27,390)
Liability at the end of the year	67,82,855	51,27,431

(Contd.)

(In ₹)

	2012-2013	2011-2012
III. Tables of Fair value of Plan Assets:		
Fair Value of Plan Assets at the beginning of the year	52,36,055	29,72,236
Expected Return on Plan Assets	5,94,628	4,31,067
Contributions	7,27,736	19,30,499
Benefit Paid	(3,88,421)	(50,769)
Actuarial gain/(loss) on Plan Assets	(7,03,252)	(53,668)
Fair Value of Plan Assets at the end of the year	54,66,746	52,36,055
Total Actuarial Gain/(Loss) to be Recognized	(13,79,153)	4,73,722
IV. Actual Return on Plan Assets:		
Expected Return on Plan Assets	5,94,628	4,31,067
Actuarial gain/(loss) on Plan Assets	(7,03,252)	(53,668)
Actual Return on Plan Assets	(1,08,624)	3,77,399
V. Amount Recognized in the Balance Sheet:		
Liability at the end of the year	67,82,855	51,27,431
Fair Value of Plan Assets at the end of the year	54,66,746	52,36,055
Difference	(13,16,109)	1,08,624
Net Assets/(Liabilities) Recognized in the Balance Sheet	(13,16,109)	1,08,624
VI. Expenses Recognized in the Income Statement:		
Current Service Cost	9,97,952	8,65,004
Interest Cost	3,69,991	3,35,944
Expected Return on Plan Assets	(5,94,628)	(4,31,067)
Net Actuarial (Gain)/Loss to be recognized	(13,79,153)	(4,73,722)
Expense Recognized in P& L	21,52,469	2,96,159
VII. Balance Sheet Reconciliation:		
Opening Net Liability	(1,08,624)	15,32,406
Expense as above	21,52,469	2,96,159
Employer's Contribution	(7,27,736)	(19,30,499)
Amount Recognized in Balance Sheet	13,16,109	(1,08,624)

9. Borrowing cost capitalized during the year on various assets is ₹ 1,13,18,981/- (Previous year ₹ 5,80,45,582/-).
10. The Company's operations mainly consist of only one segment - Textile Fabrics and therefore the figures as above relate to that segment.

11. Related Parties Disclosures:

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

(In ₹)

Name of the Party	Nature of Transaction	Amount
Vijay Kumar Gupta	Rent	9,78,216
	Remuneration	25,44,000
	Interest	1,22,88,216
Vijay Kumar Gupta (HUF)	Rent	6,98,676
Susheel Kumar Gupta	Rent	4,67,724
	Remuneration	24,00,000
	Interest	24,70,525
Shashikala Gupta	Rent	5,59,092

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

(₹ in Lakhs)

Name	Loans Taken	Loan Paid	Balance
Vijay Kumar Gupta	2424.00	3867.49	607.00
Susheel Kumar Gupta	142.75	288.00	110.00

12. The Company's Lease Agreement is in respect of Building at Ameerpet, Kukatpally, Dilukhnagar, and A.S. Rao Nagar show rooms. Lease rentals payable are charged as "Lease Rental charges" under "Other Expenses" in Note -25. The Leasing arrangement is for a longer period and renewable by mutual consent on mutually agreeable terms. Future lease rental payable are as under:

(₹ in Lakhs)

Particulars	As at 31.03.2013*	As at 31.03.2012
Payable:		
Not Later than one year	217.89	212.50
Later than one year but not later than 5 years	873.23	897.96
Later than five years	1747.32	2117.88

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

13. Deferred Tax:

(₹ in Lakhs)

Sl. No.	Particulars	As at 31.03.2013	As at 31.03.2012
a.	Deferred Tax liability on account of Depreciation	1128.40	1006.13
b.	Deferred Tax asset on account of Others	0	0
c.	Deferred Tax Liability (Net)	1128.40	1006.13

14. In accordance with the Accounting Standard (AS-28) on "Impairment of Assets" the management during the year carried out exercise of identifying the assets that might have been impaired in respect of each cash-generating unit. On the basis of this review carried out by the management there was no impairment loss on the fixed assets during the year ended 31st March 2013.
15. The Company has not provided for cess u/s 441A of The Companies Act 1956, as the Central Government has not specified the rules and manner of depositing the same.
16. Previous year's figures have been regrouped and rearranged wherever necessary so as to make them comparable with the current year.

As per our Report of even date
for **LAXMINIWAS NEETH & CO**
Firm Registration Number:002460S
Chartered Accountants

Laxminiwas Sharma
Partner
Membership No.014244

Place : Secunderabad
Date : 30.05.2013

For and on behalf of the Board

Vijay Kumar Gupta
Chairman & Managing Director

R. Malhotra
Finance Director

Susheel Kumar Gupta
Executive Director

S Nagarajan
Company Secretary

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Vijay TEXTILES LIMITED

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

ATTENDANCE SLIP

23rd Annual General Meeting Friday, the 27th September, 2013 at 3.30 PM

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 23rd 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 3.30 P.M. on Friday, the 27th September, 2013.

** 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, Sardar Patel 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 23rd 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 3.30 P.M. on Friday, the 27th September, 2013, and at every adjournment thereof.

Signed this day of , 2013.

Please Affix ₹ 1/- Revenue Stamp

Note : 1. Proxy need not be a member.

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

* Applicable for Investors holding shares in electronic form.



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CORPORATE OFFICE

Surya Towers, Ground Floor,
104, Sardar Patel Road,
Secunderabad - 500003

Telephone : 27848479/27844086

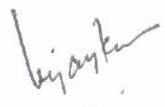
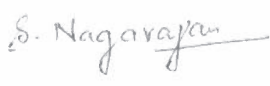

Facsimile : + 91-40-2784 6849

Email : info@vijaytextiles.in

Website : www.vijaytextiles.in

FORM A

Submission of Annual Audit report as per Clause 31 of the Listing Agreement for the financial year ended 31st March, 2013.

1.	Name of the Company	Vijay Textiles Limited
2.	Annual Financial Statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Un-Qualified
4.	Frequency of observation	Not applicable
5.	Signature	
	Shri Vijay Kumar Gupta Chairman & Managing Director	
	Shri S.Nagarajan Chief Financial Officer	
	Shri Laxminiwas Sharma Partner Laxminiwas Neeth & Co	
	Shri K. Bhupal Reddy Audit Committee Chairman	