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19th Annual Report 2008-09



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Vijay TEXTILES LIMITED

TEXTILES * INFRASTRUCTURE PROJECTS

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19th Annual General Meeting 2008-09

vijay

TEXTILES LIMITED

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BOARD OF DIRECTORS

Vijay TEXTILES LIMITED

Vijay Kumar Gupta	:	Chairman and Managing Director
Susheel Kumar Gupta	:	Executive Director
M. Srikanth Reddy		
K .Srinivas Reddy		
Malreddy Ranga Reddy (Up to 27th September,2008)		
K. Bhupal Reddy		

Company Secretary
S Nagarajan

Statutory Auditors
M/s. Laxminiwas & Jain
Chartered Accountants
5-4-726, Station Road, Nampally
Hyderabad - 500 001

Internal Auditors
M/s. Laxminiwas & Co,.
Chartered Accountants,
Plot No: 15 & 16,
Panchavati Colony,
SECUNDERABAD - 500 001.

Bankers
State Bank of India
Industrial Finance Branch
Somajiguda
HYDERABAD - 500 082

Axis Bank Limited
Begumpet
Hyderabad-500 016

Registrars & Transfer Agents
M/s. 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,
Dist: Mahaboobnagar, A. P

Wholesale Depot :
Plot No: 46, Road: 12
APIIC, Katedan,
Hyderabad - 500077

Retail Show Rooms:

1. Surya Towers, Ground Floor
   104, Sardar Patel Road
   Secunderabad - 500 003
2. 6-3-852/3,
   Near Lal Bunglow,
   Ameerpet,
   Hyderabad - 500016
3. 3.2-22-306/A/2, Plot No: 6 & 7
   Survey No:178 & 179,
   Bhagyanagar Colony, Phase-II,
   Kukatpally, Hyderabad - 500072.
4. D.No:23-27/A, Sy No.127 & 130/1,
   Kothapet, Dilsukhnagar,
   Hyderabad - 500060.

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NOTICE

Vijay TEXTILES LIMITED

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of **VIJAY TEXTILES LIMITED** will be held on Thursday, the **24th September, 2009 at 11.00 A.M** at Surana Udyog Auditorium, The Federation of AP Chamber of Commerce & Industry, Federation House, 11-6-841, Red Hills, Hyderabad -500004 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the year ended 31st March, 2009 along with the Auditors' Report and Director's Report thereon.
2. To declare Dividend on the Equity Shares of the Company for the year ended 31st March, 2009.
3. To appoint a Director in the place of Shri K. Bhupal Reddy, who retires by rotation and being eligible offers himself for re-appointment.
4. To consider re-appointment of M/s. Laxminiwas & Jain, Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to the provision of Section 198,269,309,314 and other applicable provision if any of the Companies Act, 1956 read with Schedule XIII thereof as amended up to date, the consent of the Company be and is hereby accorded to re-appoint Shri Vijay Kumar Gupta, Chairman & Managing Director of the Company for a period of five years with effect from 1st April'2009 to 31st March,2014 as set out below.

Salary

Rs. 2, 12,000/- per month including the following

Perquisites:

Provision of perquisites and benefits classified into three categories A, B, C, as appearing hereinafter:

Category A:

a. The Company shall provide maintained accommodation for residence including payment of society outgoing electricity charges, water charges etc.

b. Free use of motor car with driver provided by the Company for business purposes and in the performance of the duties. The Company shall meet all the running, maintenance and other incidental expenses of every kind whatsoever incurred in respect thereof.

c. Provision for means of communication, mobile phones and telephones at residence. All charges whereof including rental, call charges, costs etc. shall be paid or reimbursed by the Company in full.

d. Medical Reimbursement and hospitalization:

   Expenses incurred for self and the family.

e. Leave Travel Allowance:

   For self and the family once in a year incurred in accordance with the Company policy.

f. Personal Accident Insurance:

   Payment of premium for personal accident insurance cover

g. Club Fees:

   Monthly subscription fees of clubs will be reimbursed subject to a maximum of two clubs but not admission/life membership fees.

h. Children Education Allowance

   Subject to a ceiling of Rs. 2400/- P.A

   Explanation:

   For the purpose of Category A, "family" shall mean and include his spouse, dependent children and dependent parents.

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Category B:

a) Contribution by the Company to Provident Fund and Superannuation Fund or Annuity Fund as per the rules of the Company.

b) Gratuity payable as per the Rules of the Company.

c) Encashment of leave at the end of the tenure.

Category C:

Such other benefits or payments in accordance with the schemes and rules applicable to all employees of the Company from time to time

"FURTHER RESOLVED THAT the aforesaid limits are interchangeable within the overall limits of the remuneration"

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

Place : Secunderabad
Date : 29th June, 2009

S Nagarajan
Company Secretary

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

NOTES FOR MEMBERS ATTENTION:

1. A member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote on a poll instead of him self and the proxy need not be a member of the company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting.
2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold share in physical form are requested to write their Folio Number in the Attendance slip for attending the Meeting.
6. 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.
7. a. The Company has already notified Closure of the Register of Members and Transfer Books from 19th September,2009 to 24th September, 2009 (both days inclusive)for determining the names of the Members eligible for dividend on Equity Shares, if declared at the Meeting.

   b. The dividend on Equity Shares, if declared at the Meeting, will be paid on or after 19th September, 2009 to those Members whose names shall appear on the Company's Register of Members on 18thSeptember, 2009. In respect of Shares in dematerialized form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories as at the end of business on Friday 18th September, 2009.

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8. a. In order to provide protection against fraudulent encashment of dividend warrants, Members who holds Shares in Physical form are requested to intimate the Company's Registrars and Transfer Agents, M/s. Aarthi Consultants Pvt Ltd., and the signature of the Sole/First joint holder, the following information to be incorporated on dividend warrants.
   (i) Name of the Sole/First joint holder and the Folio Number.
   (ii) Particulars of Bank Account, viz :
      a) Name of Bank.
      b) Name of Branch
      c) Complete address of the Bank with Pin Code Number.
      d) Account type, weather Savings Account (SA) or Current Account (CA)
      e) Bank Account Number

   b. Members who hold shares in dematerialized form may kindly note that their Bank Account details, as furnished by their Depositories of the Company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and Company will not entertain any direct request from such Members for deletion of or change such Bank Account details. Further, instructions, if any, already given by them in respect of Shares held in Physical form will not be automatically applicable to Shares held in electronic form. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change the complete details of Bank Account.

9. 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.

10. 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.

11. 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.

12. The Shares of the Company continue to be listed on the Stock Exchanges at Mumbai and the Company has paid up to date all the listing fee to the exchanges.

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

Place : Secunderabad
Date : 29th June, 2009

S Nagarajan
Company Secretary

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

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EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956. IN RESPECT OF SPECIAL BUSINESS

ITEM 3:

REAPPOINTMENT OF RETIRING DIRECORS:

As required by Clause 49 of the Listing Agreement on Corporate Governance particulars of the Directors being reappointed are provided here under.

Shri K. Bhupal Reddy, aged about 69 years is engaged in business of Civil and Engineering contracts and has professional experience of over 42 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.

Since our company has ventured into development of infrastructure projects like IT parks under the Industrial Park Scheme of Government of India, we feel his experience in the real estate field is very valuable to the Company. Further his advice, guidance and active participation will continue greatly help our Company in its endeavor in this new field.

ITEM 4:

Shri Vijay Kumar Gupta was appointed as Chairman and Managing Director of the Company for a period of 5 years with effect from 1st April 2004 until 31st March 2009. His term has expired on 31st March, 2009. The terms of his appointment and the remuneration were approved by the Members of the Company at the Annual General Meeting held on 20th August,2004, 28thSeptember,2006 and 27th September, 2008.The Company has achieved tremendous all-round progress under his able guidance and administration .The Board of Directors at their meeting held on 29thJune,2009 have decided to reappoint him as Chairman and Managing Director for five years with effect from 1st April, 2009. The Board of Directors recommends the resolution for the approval of the Members.

Except Shri Vijay Kumar Gupta and Shri Susheel Kumar Gupta no other Director is interested in this Resolution.

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

Place : Secunderabad
Date : 29th June, 2009

S Nagarajan
Company Secretary

Registered Office :
Surya Towers, Ground Floor
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Secunderabad - 500 003

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Dear Members,

Your Directors have pleasure in presenting the 19th Annual Report and the Audited Statement of Accounts of the Company for the Financial Year ended 31st March 2009.

1. FINANCIAL RESULTS

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

		(Rs. in Lacs)
	2008-09	2007-08
Sales and Other Income	**11802.39**	10025.42
Net Profit for the year	**641.81**	1003.63
Less: Taxation		
a. Income Tax - Earlier Years	**0.03**	16.15
b. Provision for Taxation - Current Year	**139.90**	195.00
c. Fringe Benefit Tax	**8.03**	7.68
d. Deferred Tax	**84.73**	147.68
Profit After Tax	**409.12**	637.12
Add: Profit brought forward from last year	**1035.86**	1000.56
Total available for appropriations	**1444.98**	1637.68
Proposed Dividend	**115.00**	172.50
Corporate Tax on Dividend	**19.54**	29.32
Transfer to General Reserves	**500.00**	400.00
Balance carried forward to Balance Sheet	**810.44**	1035.86

2. DIVIDEND

Your Directors have recommended a Dividend of 10% for the financial year ended 31st March, 2009, which if approved at forthcoming Annual General Meeting, will be paid to (i) all those Equity Shareholders whose names appear in the Register of Members as on 18th September, 2009 and (ii) to those whose names as beneficial owners are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of business on 18th September, 2009.

3. OPERATIONS

Your Company has shown good financial results for the year ended 31 March 2009. The sales and other income for the year were Rs.11802.39 Lakhs and net profit of Rs.641.81 Lakhs as compared to Rs. 10025.42 Lakhs of sales and other income and net profit of Rs.1003.63 Lakhs achieved in the last financial year respectively. The marginal decrease in profit for the year is on account of increased cost of funds due to hardening of interest rates by banks and outgo on account of foreign exchange fluctuations in Foreign Currency Demand Loan availed by your company.

Your Company has, commissioned the new Embroidery Facility at its unit in Rajapoor Village, Mahaboob Nagar District during the financial year under review and commenced operations of the new facility from 10th March 2009. Your company expects to gain substantial mileage from this new facility by way of value addition to the products manufactured by your company. Hitherto fore the company had been outsourcing the embroidery on its products on job work basis. The new facility will offer the company two fold advantages

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firstly by saving on the outsourcing costs as in-house embroidery on the products would be much cheaper and secondly the machine embroidered products have a great consumer appeal and acceptability in the contemporary markets. By setting up new embroidery facility at its Rajapoor unit premises your company has fulfilled its long felt need to have its own embroidery unit to enhance the product value.

Your company has opened its fourth Furnishing Mall in the twin cities of Hyderabad and Secunderabad at Dilsukhnagar on 25th June 2009 with big fanfare. The mall is truly a state of the art work having world class that provides very congenial ambience to the clientele. The mall is very ideally located in the midst of rapidly developing upscale market.

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

4. FUTURE PLANS

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

Your Company shall continue to harbor its plans for further retail expansion in other potential areas in the Twin Cities of Hyderabad and Secunderabad besides other metros in a phase manner. In continuing with these efforts your company's next and fifth new furnishing mall at AS Rao Nagar in Hyderabad is expected to commence operations in August/September 2009.

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

Your company in a bid to bring value addition to its products has commissioned its in-house embroidery section in March 2009. The company was hitherto fore outsourcing the embroidery on its products. This facility has provided the much needed impetus to the exclusive range of products manufactured by your company as machine embroidered products are much more in demand because of superiority enjoyed over hand embroidered ones.

Buoyed by success of its first embroidery venture for in house embroidery on its products, the company is now gearing up to expand the facility by setting up second phase of the embroidery facility. The company intends to import 21 more set of embroidery machines from Japan in addition to its existing strength of 8 set of machines and hope to commence operations of the phase II in the Second half of current financial year.

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

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5. RESERVES

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

6. FIXED DEPOSITS

Your Company has not accepted or invited any Deposits and consequently no Deposits have matured/ become due for re-payment as on 31st March, 2009.

7. DIRECTORS

Pursuant to the provisions of the Companies Act 1956 and Articles of Association of the Company, Shri. 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 ensuing Annual General Meeting, is being annexed to the Annual Report.

8. AUDITORS' OBSERVATIONS

Observations of the Auditors, when read together with the relevant notes to the Accounts and Accounting Policies, are self-explanatory.

9. AUDITORS

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

10. COST AUDITORS:

The cost accounts records maintained by the Company for the products manufactured are subject to yearly audit by the qualified Cost Auditors. Your Company has appointed Shri. A.V.N.S. Nageswara Rao, a qualified Cost Auditors for conducting the audit of Cost Account records for financial year 2008-2009.

11. ENVIRONMENT AND HUMAN RESOURCE DEVELOPMENT

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

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

12. 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.

13. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

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