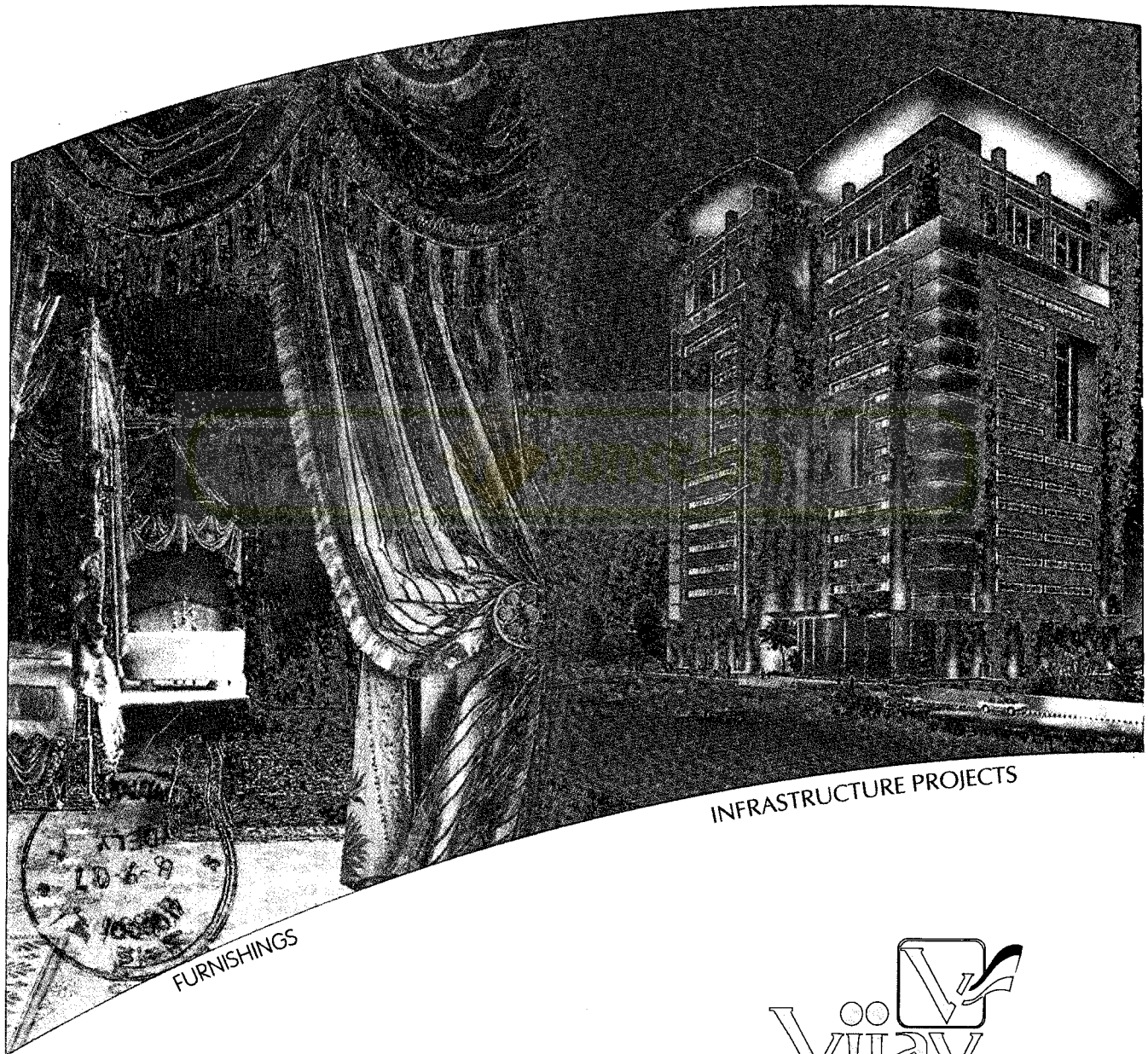


# 17<sup>th</sup> Annual Report 2006-07



INFRASTRUCTURE PROJECTS

FURNISHINGS

  
**Vijay**  
TEXTILES LTD.  
*Together in Life*



VIEW OF OUR NEW UNIT AT RAJAPPOOR-  
MAHABOOB NAGAR DIST.



## 17th Annual General Meeting 2006-2007

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## BOARD OF DIRECTORS

**Vijay Kumar Gupta** : Chairman and Managing Director

**Susheel Kumar Gupta** : Executive Director

**M. Srikanth Reddy**

**K .Srinivas Reddy**

**Malreddy Ranga Reddy**

**K. Bhupal Reddy**

(From 30th July,2007)

### **Company Secretary**

S Nagarajan

### **Statutory Auditors**

M/s. Lakshminiwas & 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 - 500 009.

### **Bankers**

State Bank of India

Industrial Finance Branch

Somajiguda

HYDERABAD - 500 082

UTI Bank Limited

Begumpet

Hyderabad-500 016

### **Registrars & Transfer Agents**

M/s. Aarthi Consultants Private Limited

1-2-285, Domalguda

Hyderabad-500 029

### **Registered Office**

104, Surya Towers

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. 104, Ground Floor,  
Surya Towers, S.P. Road,  
Secunderabad - 500003

2. 6-3-852/3,  
Near Lal Bunglow,  
Ameerpet,  
Hyderabad - 500016





## NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of VIJAY TEXTILES LIMITED will be held on Wednesday, the 26th September, 2007 at 3.00 P.M at K.L.N Prasad 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, 2007 and the Profit & Loss Account for the year ended 31st March, 2007 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, 2007.
3. To appoint a Director in the place of Shri M. Srikanth Reddy, who retires by rotation and being eligible offers himself for re-appointment.
4. To consider re-appointment of M/s. Lakshminiwas & Jain, Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS :

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

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

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

**S Nagarajan**  
Company Secretary

Place : Secunderabad  
Date : 30th July, 2007

Registered Office  
104, Surya Towers  
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 Thursday, the 20th September, 2007 to Wednesday, the 26th September, 2007 (both days inclusive) for determining the names of the Members eligible for dividend on Equity Shares, of declared at the Meeting.
- b. The dividend on Equity Shares, if declared at the Meeting, will be paid on or after 26th September, 2007, to those Members whose names shall appear on the Company's Register of Members on Wednesday, 19th September, 2007. 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 Wednesday 19th September, 2007.
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 Hyderabad and Mumbai and the Company has paid up to date all the listing fee's to the exchanges.

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

Place : Secunderabad  
Date : 30th July, 2007

**S Nagarajan**  
Company Secretary

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



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

### **Item No.5**

The Board of Directors of the Company (the Board), has appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956(the Act) and Articles 94 of the Articles of Association of the Company, Shri K. Bhupal Reddy, as an Additional Director of the Company with effect from 30th July'2007.

In terms of the provision of Section 260 of the Act, Shri K. Bhupal Reddy shall hold office up to date to this Annual General Meeting.

The Company has received a notice in writing from a Member along with a deposit of Rs.500/-, proposing the candidature of Shri K. Bhupal Reddy for the office of Director of the Company, under the provision of Section 257 of the Act.

Shri K.Bhupal Reddy, aged about 67 years is presently engaged in business of Civil and Engineering contracts and has professional experience of over 40 years behind him. He is also the Managing Director of NLR Property Developers Pvt Limited, a company engaged in the business of development of real estate activities. Since our Company has ventured into development of infrastructure projects like IT Parks under the Industrial Park Scheme of the Government of India, we feel his experience in the real estate field shall be very valuable to the company. Further his advice, guidance and active participation will also greatly help our Company in its endeavor in this new field.

In additions to the above he was holding Directorship as a Nominee Director on behalf of Financial Institutions for advising various financial disciplines for the Company. Further he was a member in Creative Advisory Committee of All India Prasara Bharati.

The Board commends the resolution set out at Item No.5 of Notice for your approval.

Save and except Shri K. Bhupal Reddy , none of the other Director of the Company is, in any way, concerned or interested in the resolution.

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

**S Nagarajan**  
Company Secretary

Place: Secunderabad  
Date : 30th July, 2007

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



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 17th Annual Report and the Audited Statement of Accounts of the Company for the Financial Year ended 31st March 2007.

### 1. FINANCIAL RESULTS

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

		(Rs. in Lacs)
	2006-07	2005-06
Sales and Other Income	8150.68	7727.45
Net Profit for the year	1061.82	1001.67
Less: Taxation		
a. Income Tax - Earlier Years	0.60	11.57
b. Provision for Taxation - Current Year	242.00	192.80
c. Fringe Benefit Tax	5.13	4.98
d. Deferred Tax	122.95	144.87
Profit After Tax	691.14	647.45
Add: Profit brought forward from last year	788.14	464.81
Total available for appropriations	1479.28	1112.26
Interim Dividend	0.00	69.86
Proposed Dividend	195.50	104.76
Corporate Tax on Dividend	33.22	24.49
Transfer to General Reserves	250.00	125.00
Balance carried forward to Balance Sheet	1000.56	788.15

### 2. DIVIDEND

Your Directors have recommended a Dividend of 17% for the financial year ended 31st March, 2007, 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 19th September, 2007 and (ii) to those 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 19th September 2007.

### 3. OPERATIONS

Your Company has shown good financial results for the year ended 31st March 2007. The sales and other income for the year were Rs.8150.68 lakhs and net profit of Rs.691.14 lakhs as compared to Rs.7727.45 lakhs of sales and other income and net profit of Rs.647.45 lakhs achieved in the last financial year respectively. The increased focus on retail segment is greatly has helped your Company in further improving its profitability to a good extent.

Your Company has commissioned its new manufacturing facility at Rajapoor Village in Mahaboob Nagar District during the financial year under review and commenced operations from 15th March 2007.



#### 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. With this backdrop the Company has thought it more prudent to extend its reach in the Twin cities and has therefore, decided to open its third new retail furnishing mall at Kukatpally, Hyderabad. This retail venture is conceived keeping well in mind the mushrooming growth in the areas in & around Kukatpally and close proximity of this area to the Hi-tech City which encompasses a large number of multi-nationals and Indian Companies of repute. The area has witnessed unprecedented growth in housing sector which is largely instrumental in imbibing confidence to your company's think tank and thus prompting the company to go in for an exclusive furnishing mall in the area. Further your company has made an extensive survey of the area and foresees a great potential there for retail sale because of its urbane and cosmopolitan mix of affluent population.

Your Company shall continue to harbor its plans for further retail expansion in other metros after its operations at its 3rd new furnishing mall in the Twin cities get stabilized.

Your company has commissioned its new state of the art manufacturing facility at Rajapoor Village in Mahaboob Nagar District, a backward integration area notified by the government of Andhra Pradesh and commenced operations from 15th March 2007.

Your company has also decided to go in for further expansion at the new plant site. The company intends to tap the market for wider width furnishing fabric in the country, which has a great demand but very limited availability due to very few manufacturers in the country. Mostly the wider width fabric is imported and sold at the retail outlets. By making an entry in to this segment your company shall be able to seize a major market share right from the word go and thus gain initial advantage for taking a lead in the contemporary market. Further there exists a vast potential for export of this fabric for which your company will put its plans in place once the facility is ready. The facility for manufacture of wider width cloth shall be fully commissioned by September, 2007 and it will not take much time for your company to take a stronghold in this domestic segment of the market in view of huge demand and supply gap that exists. The work for setting up of this facility is moving at a great pace so as to be ready in time as per the schedule of implementation drawn by your company.

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

Your Company has, in line with its amended Articles of Association, also entered into new business i.e. development of infrastructure projects as already informed to all of you. Your Company's first project under the schedule shall be ready for lease to Software/IT Companies in this second quarter of the financial year 2008-09. 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. The project once completed will substantially add to your company's income by way of lease rental income, thus greatly improving its profitability further.

#### 5. NEW MANUFACTURING FACILITY AT RAJAPOOR

Your company has commissioned its new state of the art manufacturing facility at Rajapoor Village in Mahaboob Nagar District, a backward integration area notified by the government of Andhra Pradesh.