

18th Annual Report 2007 - 08

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Textile Fabrics ❖ Infrastructure Projects

18th Annual General Meeting 2007-08

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BOARD OF DIRECTORS**TEXTILES LIMITED**

Vijay Kumar Gupta : Chairman and Managing Director

Susheel Kumar Gupta : Executive Director

M. Srikanth Reddy

K .Srinivas Reddy

Malreddy Ranga Reddy

K. Bhupal Reddy

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

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:**Secunderabad**

1. Surya Towers, Ground Floor

104, Sardar Patel Road

Secunderabad - 500 003

Ameerpet

2. 6-3-852/3,

Near Lal Bungalow,

Ameerpet,

Hyderabad - 500016

Kukatpally

3. 3.2-22-306/A/2, Plot No: 6 & 7

Survey No: 178 & 179,

Bhagyanagar Colony, Phase-II,

Kukatpally, Hyderabad - 500072.

NOTICE**TEXTILES LIMITED**

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of VIJAY TEXTILES LIMITED will be held on Saturday, the 27th Day of September, 2008 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, 2008 and the Profit & Loss Account for the year ended 31st March, 2008 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, 2008.
3. To appoint a Director in the place of Shri Malreddy Ranga 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 though fit, pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of the Securities and Exchange Board of India (De-listing of Securities) Guidelines, 2003, Listing Agreements entered into by the Company with Stock Exchanges, the Companies Act, 1956, Securities Contract (Regulation) Act, 1956, and other applicable provisions, rules, regulations, guidelines, if any, and subject to such approvals, permissions and sanctions, as may be necessary

or required, the consent of the members of the Company be and is hereby accorded for de-listing of the Securities of the Company from The Hyderabad Stock Exchange Limited at Hyderabad."

"RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorized to take all the necessary steps in this regard and to do all such acts, deeds, and things and to execute all such deeds, documents, writings as it may, in its absolute direction, deem necessary, proper, desirable or expedient and for this purpose to authorize any of its, Directors or the Company Secretary of the Company or any other person, who the Board considers suitable to do the various acts, deeds and things required to be done in this behalf".

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT in super session of the Resolution passed by the Company in the Annual General Meeting held on 27th September, 2005 that the consent of the Company be and is hereby accorded in terms of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company to raise or borrow from time to time from the Company's Bankers or Financial Institutions or from elsewhere on such terms and conditions as to repayment or interest or otherwise as it thinks fit such sums as may be necessary for the purpose of the Company's business in excess of the paid-up capital and free reserves of the Company, that is to say the reserves not set apart for any specific purpose, provided however, that the total amount of such borrowings together with the monies already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in aggregate shall not exceed at any time a sum of Rs.400.00 Crores (Rupees Four Hundred Crores)

Notice (Contd.)**TEXTILES LIMITED**

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Company be and is hereby authorized under section 293(1) (a) of the Companies Act, 1956, to mortgage and/ or create charge on all or any of the movable and/ or immovable assets of the Company both present and future and/ or the undertaking/s of the Company for securing any loan obtained or as may be obtained from any financial Institution, Bank, body corporate, firm, person or persons together with interest, cost, charges, expenses and any other monies payable thereon by the Company."

8. To consider and, if though fit, to pass the following Resolution with or without modification(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 for increase in remuneration to Shri Vijay Kumar Gupta, Chairman & Managing Director of the Company with effect from 1st April 2008 to 31st March 2009 (being the unexpired period of their tenure as Chairman & Managing Director) as set out below.

1. Salary

Rs. 2,75,000/- per month inclusive of the following:

Perquisites:

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

Category A:

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

- 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.
- Medical Reimbursement and hospitalization: Expenses incurred for self and the family.
- Leave Travel Allowance: For self and the family, once in a year, incurred in accordance with the Company policy.
- Personal Accident Insurance: Payment of premium for personal accident insurance cover.
- Club Fees: Monthly subscription fees of clubs will be reimbursed subject to a maximum of two clubs but not admission/life membership fees.
- Children Education Allowance Subject to a ceiling of Rs. 2400/- PA

Explanation:

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

Category B:

- Contribution by the Company to Provident Fund and Superannuation Fund or Annuity Fund as per the rules of the Company.
- Gratuity payable as per the Rules of the Company.
- 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.

Notice (Contd.)**TEXTILES LIMITED**

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

9. To consider and, if though fit, to pass the following Resolution with or without modification(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 for increase in remuneration to Shri Susheel Kumar Gupta Executive Director of the Company with effect from 1st April, 2008 to 31st March, 2011 (being the unexpired period of their tenure as Executive Director as set out below).

Salary: Rs. 1,60,000/- per month including the following:

Perquisites:

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

Category A:

- e. The Company shall provide maintained accommodation for residence including payment of society outgoing electricity charges, water charges etc.
- f. 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.
- g. 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.
- h. 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.

- H Club Fees:

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

- g. 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.

Category B:

- d) Contribution by the Company to Provident Fund and Superannuation Fund or Annuity Fund as per the rules of the Company.
- e) Gratuity payable as per the Rules of the Company.
- f) 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 : 31st May, 2008

S Nagarajan
Company Secretary

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

Notice (Contd.)**TEXTILES LIMITED****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.
 - a. The Company has already notified Closure of the Register of Members and Transfer Books from 23rd September, 2008 to 27th September, 2008 (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 22nd September, 2008, to those Members whose names shall appear on the Company's Register of Members on Monday, 22nd September, 2008. 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 Monday 22nd September, 2008.
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, whether 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

Notice (Contd.)**TEXTILES LIMITED**

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's to the exchanges.

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

S Nagarajan
Company Secretary

Place : Secunderabad

Date : 31st May, 2008

Registered Office

Surya Towers, Ground Floor

104, Sardar Patel Road

Secunderabad - 500 003

Notice (Contd.)**TEXTILES LIMITED**

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

ITEM 3:**REAPPOINTMENT OF RETIRING DIRECTORS:**

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

Shri Malreddy Ranga Reddy is graduate in Agriculture B.Sc (Agri) and carries a vast administrative experience.

Presently, he is also sitting M.L.A from Malakpet Hyderabad Assembly Constituency in Andhra Pradesh. He is an astute politician, who devotes good time for social welfare of the people in his constituency.

Item No.5

Based on the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 ('the guidelines'), it is open for the company to voluntarily delist securities from Hyderabad Stock Exchange, if the securities continue to remain listed on the stock exchange having nation wide trading terminals.

Presently your Company is listed at The Bombay Stock Exchange Limited (BSE) and The Hyderabad Stock Exchange Limited (HSE).

At the time of the public issue of the Company, there was a trend to go for listing two major Stock Exchanges to enable the investors spread over the length and breadth of the Country to trade in the shares of the Company on the local Stock Exchange. Accordingly your Company opted for the listing on the two stock exchanges i.e. The Bombay Stock Exchange Limited (BSE) and The Hyderabad Stock Exchange Limited (HSE). However, the scenario has been changed in past few years. Now, BSE and the National Stock Exchange (NSE) have established countrywide trading Mechanism.

In fact, most of the secondary market operations are on these two Stock Exchanges. Since, the Company is listed on BSE, and it is proposing to get listed on NSE, it is proposed get it de-listed from The

Hyderabad Stock Exchange (HSE) as the same is no longer being recognized for the trading/Listing Purpose.

The de-listing is proposed in view of the following:

- a. There has been insignificant/negligible trading in the equity shares of the Company on the Hyderabad Stock Exchange Limited in the last few years.
- b. The Company has been incurring precious resources by way of payment of listing fees etc due to listing on HSE which is not justified in the comparison on with the services available to the share holders of the Company in particular and investors in general. Hence there is no cost benefit to the Company.
- c. The Company could save monetary and other resources by de-listing from HSE with out sacrificing any investors' interest.
- d. The proposed de-listing will also result in reduction in administrative and procedural work. Thus resulting in saving of precious time of senior executives of the Company whose services can be deployed in other productive avenues.

Since the Company shall continue to be listed on the BSE which has a nationwide trading mechanism, the interest of the investors will not be affected adversely. In terms of the SEBI De-Listing Guidelines, no exit offer is required to given to the shareholder of the Company in connection with the proposal de-listing. Accordingly the Company has no intention to give as exit option to the shareholders of the Company.

Consent of the members of the Company is required for the proposed de-listing of securities.

Yours Directors recommended the resolution for your approval.

None of the Directors are interested or concerned in the proposed resolution.

Notice (Contd.)**TEXTILES LIMITED****Item No: 6**

The Company as its General Meeting held on 27th September, 2005 authorized the Board to borrow for the purpose of the Company, monies in excess of the paid-up share capital of the Company and its free reserves provided the sum or sums so borrowed and remaining outstanding at any time shall not exceed Rs.250.00 Crores.

Since, the Company's activities have increased significantly, to meet the increasing requirement of funds for various expansion and diversification activity, it is considered necessary to enhance the said borrowing limit of the Board to Rs.400.00 Crores. The Resolution has accordingly proposed for approval of the Members pursuant to Section 293(1)(d) of the Companies Act, 1956.

None of the Directors of the Company is concerned or interested in this Resolution.

Item No 7:

The Company is in the process of expanding the business in large scale and also to extend the areas of operation to different parts of the state, the expansion includes opening of new outlets and related capital expenditure in this regard it is require to obtain both short term and long term funds. The approval of the share holders is required under Section 293 (1) (a) of the Companies Act, 1956, to mortgage the assets of the Company.

Item No: 8

Shri Vijay Kumar Gupta has been appointed as Chairman and Managing Director of the Company for the period of 5 years with effect from 1st April'2004 to 31st March,2009.The terms of appointment and the remuneration were approved by the members of the Company at the Annual General Meeting held on 28th September,2006. The activities and responsibilities of the Chairman & Managing Director have increased on account of continues growth. Considering the increase in size and operations of the Company, the Board of Directors at their meeting held on 31st May,2008, have through fit to revise the

remuneration of the Chairman and Managing Director as stated in the Resolution, which is within the limits prescribed under the Schedule XIII of he Companies Act, 1956 for the remaining terms of their office i.e 1st April'2008 to 31st March,2009. The terms of increase in remuneration are setout in the Resolution. The Board of Directors recommends the Resolution for the approval of the members.

None of the Directors are interested in the above resolution except Shri Vijay Kumar Gupta.

Item No: 9

Shri Susheel Kumar Gupta has been appointed as Executive Director of the Company for the period of 5 years with effect from 1st April'2006 to 31st March,2011.The terms of appointment and the remuneration were approved by the members of the Company at the Annual General Meeting held on 28th September,2006. The activities and responsibilities of the Executive Director have increased on account of continues growth. Considering the increase in size and operations of the Company, the Board of Directors at their meeting held on 31st May,2008, have through fit to revise the remuneration of the Executive Director as stated in the Resolution, which is within the limits prescribed under the Schedule XIII of he Companies Act, 1956 for the remaining terms of their office i.e 1st April'2008 to 31st March,2011. The terms of increase in remuneration are setout in the Resolution. The Board of Directors recommends the Resolution for the approval of the members.

None of the Directors are interested in the above resolution except Shri Susheel Kumar Gupta.

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

Place : Secunderabad
Date : 31st May, 2008

S Nagarajan
Company Secretary

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