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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

(Up to 31st December 2010)

K. Bhupal Reddy

Sanjeev Kumar Agarwal

Company Secretary

S. Nagarajan

Statutory Auditors

M/s. Laxminiwas & Jain

Chartered Accountants

5-4-726, Station Road, Nampally

Hyderabad - 500 001

Internal Auditors

M/s. Laxminiwas Neeth & Co

Chartered Accountants,

402, 4th Floor,

Moghul's Court, Basheerabagh,

Hyderabad - 500 001

Bankers

State Bank of India

Industrial Finance Branch

Somajiguda

HYDERABAD - 500 082

Axis Bank Limited

Begumpet

Hyderabad-500 016

Central Bank of India

Ranigunj Branch,

Secunderabad-500003.

Registrars & Transfer Agents

M/s. Aarthi Consultants Private Limited

1-2-285, Domalguda

Hyderabad-500 029

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

Wholesale Depot :

Plot No: 46, Road No: 12

APIIC, Katedan,

Hyderabad - 500077

Retail Show Rooms :

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

NOTICE



TEXTILES LIMITED

NOTICE is hereby given that the Twenty-first Annual General Meeting of the Members of **VIJAY TEXTILES LIMITED** will be held on **Tuesday, the 2nd August, 2011 at 11.00 A.M** at Surana Udyog Auditorium, The Federation of A.P.Chamber of Commerce and Industry, Federation House, 11-9-841, 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 2011 and the Profit & Loss Account for the year ended 31st March 2011 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 2011.
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. 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.

The Company has received a Special Notice in writing from a Member along with a deposit of ₹ 500/- proposing the candidature of M/s. Laxminiwas Neeth & Co., Chartered Accountants, 402,4th Floor, Moghuls Court, Basheer Bagh, Hyderabad-500001 as Auditors of the Company under the provision of Sections 190 and 225 of Companies Act.

In pursuance of this Special Notice, the Company has sent a notice of this resolution to the retiring Auditor so as to enable them to make any objections or representation thereto. The Company has not received any objections or representations from the retiring Auditor up to the date of printing of this Notice to the Members. If the Company receives any representation from the retiring Auditor before

the date of this Annual General Meeting, the same shall be circulated to the Members or shall be read out at the Annual General Meeting according to the provisions of Section 225 of the Companies Act.

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 Sections 198, 269, 309, 311, 314, 320 and other applicable provisions if any, of the Companies Act, 1956 read with Schedule XIII thereof as amended up to date, subject to applicable approvals as may be necessary to this regard pursuant to the approval of Remuneration Committee and the Board of Directors at their respective meetings, the consent of the Company be and is hereby accorded to re-appoint Shri Susheel Kumar Gupta, Executive Director of the Company for a period of five years with effect from 1st April 2011 to 31st March 2016 as set out below.

Salary

₹ 2,00,000/- 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 motorcar with driver provided by the Company for business purposes and in the performance of the duties. The Company shall meet the entire 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 ₹ 2400/- P.A.

Explanation :

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

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"

"RESOLVED FURTHER that in the event of losses or inadequacy of profits during the period the Executive Director is entitled to the aforesaid salary and perquisites as minimum remuneration."

"RESOLVED FURTHER that this resolution may also be treated as notice/requisite abstract under Section 302 of the Companies Act, 1956.

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

"RESOLVED THAT pursuant to the provisions of Section 94 (1) (b) of the Companies Act, 1956, all the existing equity shares of the face of value of ₹ 1/- each comprised in the Authorized Share Capital of the Company, both issued and unissued be consolidated into one Equity share of ₹ 10/- each fully paid up by consolidating every 10 fully paid equity shares of ₹ 1/- each into one Equity share of ₹ 10/- each and such consolidation shall take effect from the date to be decided by the Board of Directors of the Company or of a committee thereof."

"RESOLVED FURTHER THAT on consolidation of Equity shares aforesaid, the Board shall not issue fractional shares if they shall arise out of such consolidation but the consolidated shares represented by the total number of such fractional shares shall be transferred to such person or persons or trust as may be nominated in this behalf by the Board upon the express condition that such person(s) aforesaid shall sell the shares so transferred on such terms and conditions (including the timings of sale) as he / they / it deem(s) fit and the net sale proceeds thereof together with any dividend or other monetary benefits which may have accrued on such shares shall be distributed to the Members in proportion to their respective fractional entitlements thereto."

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

"RESOLVED THAT the Authorized Share Capital of ₹ 20,00,00,000/- (Twenty Crores only) consisting of 20,00,00,000 (Twenty Crores only) Equity shares of ₹ 1/- (Rupees one only) each be divided into 2,00,00,000 (Two Crores only) Equity shares of ₹ 10/- (Rupees Ten only) each by consolidating in such manner that every ten of the existing share of ₹ 1/- each shall constitute one share of ₹ 10/- each fully paid up.

FURTHER RESOLVED THAT the existing certificates of shares be called in by the Directors and cancelled and that the new certificates be issued in terms of the Companies (Issue of Share Certificates) Rules, 1960.

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors be and is hereby authorised to issue the new Share Certificates to all the allottees under the common seal of the Company which shall be affixed in the presence of and under the facsimile signatures of Shri Vijay Kumar Gupta, Managing Director and Shri Susheel Kumar Gupta, Executive Director of the Company and counter signed by an Authorized Signatory as per the provisions of the Companies (Issue of Share Certificates) Rules, 1960."

8. To consider and if thought fit, to pass with or without modification(s) the following resolution as Special Resolution.

"RESOLVED THAT pursuant to Section 16 and other applicable provisions, if any, of the Companies Act, 1956, the existing Clause V of the Memorandum of Association relating to the Share Capital be and is hereby altered by deleting the same and substituting in its place, the following Clause V.

"The Authorized Share Capital of the Company is ₹ 20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores Only) Equity Shares have a nominal face value of ₹ 10/- each. The Company shall have the power, from time to time, to increase or reduce its Capital and to issue any Shares in the original or new

Capital as ordinary or preferred shares and to attach to any Class or Classes of such shares, any preferences, rights, privileges or priorities in payment of dividends or distribution of assets or otherwise over any other shares or to subject the same to any restrictions, limitations, or conditions and to vary regulations, or the Company as for of necessary to give effect to the same and upon the sub-divisions of a shares to apportioned the right to participate in profits in any manner .

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

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Article 3 of the Articles of Association relating to the Share Capital be and is hereby altered by deleting the same and substituting in its place, the following Articles 3."

"The Authorized Share Capital of the Company is ₹ 20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores Only) Equity Shares of ₹ 10/- (Rupees Ten) each. The Company shall have power to increase, consolidate, sub-divide, reduce or otherwise alter its Share Capital, subject to the provision of the Act.

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

Place : Secunderabad
Date : 21st June, 2011

S Nagarajan
Company Secretary

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

NOTES FOR MEMBERS ATTENTION :

1. A member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote on a poll instead of him self and the proxy need not be a Member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting.
2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
3. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
4. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold 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.
 - a. The Company has already notified Closure of the Register of Members and Transfer Books from 26th July, 2011 to 2nd August, 2011 (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 26th July 2011 to those Members whose names shall appear on the Company's Register of Members on 25th July 2011. 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 25th July 2011.
7.
 - a. In order to provide protection against fraudulent encashment of dividend warrants, Members who holds Shares in Physical form are requested to intimate the Company's Registrars and Transfer Agents, M/s. Aarthi Consultants Pvt Ltd., and the signature of the Sole/First joint holder, the following information to be incorporated on dividend warrants.
 - (i) Name of the Sole/First joint holder and the Folio Number.
 - (ii) Particulars of Bank Account, viz :
 - a) Name of Bank.
 - b) Name of Branch
 - c) Complete address of the Bank with Pin Code Number.
 - d) Account type, 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 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.

Notice (Contd.)



TEXTILES LIMITED

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

to the Company so that information required may be made available at the meeting.

11. The Shares of the Company continue to be listed on the stock exchange (s) at Mumbai and 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 : 21st June, 2011

S Nagarajan
Company Secretary

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

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

Shri Susheel Kumar Gupta was appointed as the Executive Director of the Company for a period of 5 years with effect from 1st April 2006 to 31st March 2011. The terms of his appointment and the remuneration were duly approved by the members of the Company at Annual General Meeting held on 28th September 2006 and 27th September 2008. The Company has achieved tremendous progress under his able guidance and administration. The Board of Directors at the meeting held on 5th February 2011 has approved his reappointment as Executive Director for a further period of five years with effect from 1st April 2011 to 31st March 2016. The Board of Directors now recommends the resolution for the approval of the Members. The appointment and remuneration was approved by the Remuneration Committee at its meeting held on 5th February 2011.

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

Item No : 6,7,8 and 9

At present the Equity Share Capital of the Company is of face value of ₹ 1/- each. The Board proposes to consolidate into equity shares of ₹ 10/- each (Rupee ten only) in view of upcoming fund raising plans.

In accordance with the provision of the Companies Act 1956, it requires corresponding alterations to the capital clauses appearing in the Memorandum of Association and Articles of Association of the Company.

The proposed resolution(s) is intended to give effect to the above proposal and hence it is placed before the members for approval as Special Resolution.

None of the Directors are concerned or interested in the said resolution(s).

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

Place : Secunderabad
Date : 21st June, 2011

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 21st Annual Report and the Audited Statement of Accounts of the Company for the Financial Year ended 31st March 2011.

1. FINANCIAL RESULTS

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

(₹ in Lakhs)

Particulars	2010-2011	2009-2010
Sales and Other Income	13185.26	12201.08
Net Profit for the year	925.59	528.65
Less: Taxation		
a. Income Tax - Earlier Years	(16.69)	(19.21)
b. Provision for Taxation - Current Year	202.36	89.51
c. Deferred Tax	69.44	87.28
Profit After Tax	670.48	371.07
Add: Profit brought forward from last year	573.88	810.44
Total available for appropriations	1244.36	1181.51
Proposed Dividend	115.00	92.00
Corporate Tax on Dividend	18.66	15.63
Transfer to General Reserves	500.00	500.00
Balance carried forward to Balance Sheet	610.70	573.88

2. DIVIDEND

Your Directors have recommended a Dividend of 10% for the financial year ended 31st March, 2011, 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 25th July 2011 and (ii) to those whose names as beneficial owners as furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the close of business on 25th July, 2011.

3. OPERATIONS

The sales and other income for the year were ₹ 13185.26 Lakhs and net profit of ₹ 670.48 Lakhs as compared to ₹ 12201.08 Lakhs of sales and other income and net profit of ₹ 371.07 Lakhs achieved in the last financial year respectively.

The year under review witnessed fluctuations in cotton prices, magnitude of which has not been recorded before. Your Company has sustained the steep rise in prices by meticulously planning its working capital funds for procuring adequate stocks at competitive prices and maintained an uninterrupted production