

28TH
ANNUAL REPORT
2017 - 2018




vijay
TEXTILES LTD.

www.vijaytextiles.in

Furnishings... Simply incredible!

CONTENTS

	Page
Board of Directors	1
Notice.....	2
Directors' Report	18
Extract of Annual Return - MGT-9	28
Secretarial Audit Report	39
Corporate Governance Report	44
Management Discussion & Analysis Report.....	65
Independent Auditors' Report.....	74
Notes to Financial Statements.....	80
Notes on Accounts.....	88
Balance Sheet	102
Statement of Profit and Loss.....	104
Cash Flow Statement	105
Notes forming part of Balance Sheet	107
Notes forming part of Statement of Profit and Loss....	119

BOARD OF DIRECTORS



TEXTILES LIMITED

Shri Vijay Kumar Gupta	Chairman and Managing Director
Shri Susheel Kumar Gupta	Executive Director and Chief Financial Officer (From 13.08.2018)
Shri R.Malhotra	Finance Director and Chief Financial Officer (Up to 23.07.2018)
Shri M. Srikanth Reddy	Independent Director
Smt. C.A.Alka Zanwar	Independent Director
Shri C.A.Penmetsa Vikram	Independent Director

Company Secretary

Shri S. Nagarajan

Statutory Auditors

M/s. Laxminiwas & Co.,
Chartered Accountants
6-3-569, 4th Floor, Opp: RTA Office,
Khairatabad, HYDERABAD – 500 082.

Internal Auditors

M/s. Sankaran & Krishnan,
Chartered Accountants, Plot No: 80,
Devi Residency, Flat No:302, Telecom
Nagar, Gachibowli, Hyderabad-500 032.

Secretarial Auditor

S.S.Reddy & Associates
Practicing Company Secretaries
Plot No. 8-2-603/23/3 & 8-2-603/23/15
2nd Floor, HSR Summit Banjara Hills,
Road No 10 Beside No 1 News Channel
Office , Hyderabad – 500 034.

Bankers:

State Bank of India

Industrial Finance Branch, Somajiguda,
HYDERABAD-500 082

Axis Bank Limited

Begumpet. Hyderabad-500 016

Registrar & Share 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
CIN: L18100TG1990PLC010973
Email :info@vijaytextiles.in

AUDIT COMMITTEE

Mr. M. Srikanth Reddy
Mr. CA Penmetsa Vikram
Mrs. C.A Alka Zanwar

NOMINATION & REMUNERATION COMMITTEE

Mr. M. Srikanth Reddy
Mr. C.A Penmetsa Vikram
Mrs. C.A Alka Zanwar

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. M. Srikanth Reddy
Mr. C.A Penmetsa Vikram
Mrs. C.A Alka Zanwar

INDEPENDENT DIRECTORS COMMITTEE:

Mr. M. Srikanth Reddy
Mr. C.A Penmetsa Vikram
Mrs. C.A Alka Zanwar

RISK MANAGEMENT COMMITTEE:

Mr. Vijay Kumar Gupta
Mr. M. Srikanth Reddy
Mr. C.A Penmetsa Vikram
Mrs. C.A Alka Zanwar

LISTED AT : BSE Limited

ISIN : INE256G01033

WEBSITE: www.vijaytextiles.in

INVESTOR

E-MAIL ID: info@vijaytextiles.in

Factory:

Survey No: 139 to 141 & 143
Village: Rajapoor, Mandal: Rajapoor,
District: Mahaboobnagar
Telangana - 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 OF THE 28TH ANNUAL GENERAL MEETING



TEXTILES LIMITED

NOTICE is hereby given that the 28th Annual General Meeting of the Members of **VIJAY TEXTILES LIMITED** will be held on Friday, the **28th day of September, 2018, at 10:00 A.M.** at J.S.Krishna Murthy Hall, The Federation of Telangana and Andhra Pradesh Chamber of Commerce & Industry, The Federation House, 11-9-84, 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 2018 and the Statement of Profit and Loss for the year ended as on that date along with Cash Flow Statement and notes appended thereto together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in the place of Shri Vijay Kumar Gupta (DIN: 01050958), who retires by rotation and being eligible, offer himself for re-appointment.
3. To declare dividend on equity shares for the financial year 31st March, 2018.

SPECIAL BUSINESS:

4. RATIFICATION OF APPOINTMENT AND PAYMENT OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2018-2019:

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof, for the time being in force), consent of the Members be and is hereby accorded for ratification of appointment of M/s Nageswara Rao & Co, (Registration No.000332), Cost Accountants to conduct the audit of the cost records of the Company for the financial year ended 31st March, 2019 on a remuneration of ₹35,000/- (Rupees thirty five thousand only) plus out of pocket expenses and applicable taxes."

"RESOLVED FURTHER THAT the Board is hereby authorized to take all necessary steps as may be necessary to give effect to the above Resolution including filing of all such necessary documents as may be required in this regard."

5. CHANGE IN NOMENCLATURE OF 0.10% NON CONVERTIBLE CUMULATIVE REDEEMABLE PREFERENCE SHARES INTO 0.10% CONVERTIBLE CUMULATIVE PREFERENCE SHARES AND CHANGE OF AUTHORISED SHARE CAPITAL:

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

"RESOLVED THAT pursuant to the provisions of Sections 13, 42, 48, 55, 61 & 62 and other applicable provisions if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and consequent to the approval of 0.10% Non- Convertible Cumulative Redeemable Preference Shareholders of the Company, consent of the Members of the Company be and is hereby accorded to change the nomenclature of 0.10 % Non-Convertible Cumulative Redeemable Preference Shares of ₹100/- each into 0.10 % Convertible Cumulative Preference Shares of ₹100/- each and accordingly the Authorized, Issued, Subscribed and Paid up Share Capital in respect of 0.10% Non-Convertible Cumulative Redeemable Preference Shares of ₹100/- each shall be substituted as 0.10 % Convertible Cumulative Preference Shares of ₹100/- each and the effect of the same be given in the Memorandum of Association the Company."

"RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised to take all such necessary steps/actions, deeds, things as may be deemed expedient to give effect this Resolution including signing and filing of all such necessary documents as may be required in this regard".

6. INCREASE OF AUTHORISED SHARE CAPITAL AND AMENDMENT OF CLAUSE V OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY.

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 13 and Section 61 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 and the Rules made there under, the Authorized Share Capital of the Company be and is hereby increased from ₹73,00,00,000/- (Rupees Seventy Three Crores only) divided into 2,00,00,000 (Two crores only) Equity Shares of ₹10/- (Rupees Ten only) each and 53,00,000 0.10% Convertible Cumulative Preference Shares of ₹100/- each to ₹73,30,00,000/- (Rupees Seventy Three Crores and Thirty lakhs only) divided into 2,03,00,000 (Two Crores and Three lakhs only) Equity Shares of ₹10/- (Rupees Ten only) and 53,00,000 0.10% Convertible Cumulative Preference Shares of ₹100/- each and consequently the existing Clause V of the Memorandum of Association of the Company be and is hereby altered by substituting the following as new Clause V:

V. The Authorized Share Capital of the Company is ₹73,30,00,000 (Rupees Seventy Three Crores and Thirty lakhs only) divided into 2,03,00,000 (Two Crores and Three lakhs only) Equity Shares of ₹10/- (Rupees Ten only) each aggregating to ₹20,30,00,000 (Rupees Twenty Crores and Thirty Lakhs only) and 53,00,000 (Rupees Fifty Three Lakhs Only) Convertible Cumulative Preference Shares of ₹100/- each, aggregating to ₹53,00,00,000/- (Rupees Fifty Three Crores Only). 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 preference, 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, of the Company as far as necessary to give effect to the same and upon the sub-division of s share to apportion the right to participate in profits in any manner.”

“RESOLVED FURTHER THAT the Board of the Company be and is hereby authorized to take all such necessary steps/actions, deeds, things as may be deemed expedient to give effect to this Resolution including signing and filing of all such necessary documents as may be required in this regard.”

7. ISSUE AND ALLOTMENT OF CONVERTIBLE WARRANTS TO THE PROMOTERS, DIRECTOR (ON CONVERSION OF 0.10% CONVERTIBLE CUMULATIVE PREFERENCE SHARES) AND OTHERS ON PREFERENTIAL BASIS:

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

“RESOLVED THAT in terms of Sections 42 and 62 (1)(c) of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Memorandum and Articles of Association of the Company, SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 and Listing Agreement entered with BSE Limited where the Company's Equity Shares are listed and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; FIPB, RBI, as may be applicable to the Preferential Issue of Equity Shares and other applicable regulations of SEBI, if any, and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company (hereinafter referred to as the Board which expression shall include any committee thereof for the time being to which all or any of the

powers hereby conferred on the Board by this resolution, have been delegated), the consent of the Members of the Company be and is hereby accorded to the Board to offer, issue and allot in one or more tranches up to 66,60,000 Convertible Warrants to the Promoters (by converting the proportionate existing 0.10% Convertible Cumulative Preference Shares of ₹100/- each) and up to 5,00,000 Convertible Warrants to the others as mentioned in the Explanatory Statement and the said Warrants shall be Convertible into equal number of Equity Shares with in a period not exceeding 18 months from the date of allotment of Warrants in such manner and at such price, terms and conditions in accordance with the provisions of Securities & Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2009 (including any amendments thereto or re-enactment thereof) or other provisions of Law as may be prevailing at the time, provided that the price (inclusive of premium, if any) of the Convertible Warrants so issued shall not be less than the minimum price to be arrived at in accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations".

"RESOLVED FURTHER THAT The Relevant Date for the purpose of pricing of Convertible Warrants is 29.08.2018 i.e., thirty days prior to the date on which this Annual General meeting (28.09.2018) is held in terms of Section 42 and Section 62 I(c) of the Companies Act, 2013."

"RESOLVED FURTHER THAT the resultant Equity Shares issued shall rank pari-passu with the existing Equity Shares of the Company in all respects and that the equity Shares so allotted during the financial year shall be entitled to the dividend, if any, declared including other corporate benefits, if any, for which the Book Closure or the Record Date falls subsequent to the allotment of Equity Shares.

"RESOLVED FURTHER THAT the aforesaid Convertible Warrants/resultant Equity Shares allotted in terms of this Resolution shall be

subject to Lock-In requirements as per the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009".

"RESOLVED FURTHER THAT the Board be and is hereby authorized to modify and decide the price, terms and conditions of the Issue of Convertible Warrants, if necessary, keeping in view the provisions of various Acts and Guidelines in force from time to time".

"RESOLVED FURTHER THAT the aforesaid Warrants shall be in accordance with the following terms and conditions:

- A Warrant by itself shall not give to a Warrant holder thereof, any rights of the Shareholder of the Company.
- In the event, the Equity Shares of the Company are either sub-divided or consolidated before the conversion of the Warrants into equity Shares of the Company, then the face value, the number of equity Shares to be acquired on conversion of the Warrants and the Warrant issue price shall automatically stand adjusted in the same proportion, as the present value of the Equity Shares of the Company bears, to the newly sub-divided / consolidated Equity Shares without affecting any right or obligation of the said Warrant holders: and
- In the event the Company's Equity Capital is affected or changed due to any other corporate actions such as a merger, demerger, consolidation of business, or other reorganization of the Company, tender offer for Equity Shares of sale of undertaking, necessary adjustments with respect to the terms of the aforesaid Warrants shall be made by the Company and such other action as may be deemed necessary or appropriate by the Board shall be taken to reflect such corporate actions, including but without limitation, suitable adjustment of the Warrant issue price, subject to necessary approvals".

NOTICE (CONTD.)



TEXTILES LIMITED

“RESOLVED FURTHER THAT the Company does apply for listing of the resultant Equity Shares on the Stock Exchanges and thereby comply with the applicable regulations”.

“RESOLVED FURTHER THAT the Company does make an application to the Depositories for admission of the resultant Equity Shares”.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any other officer or officers of the Company to give effect to the aforesaid Resolution”.

“RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorized to agree and accept all such condition(s), modification(s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to

such modification(s) and to resolve and settle all questions, difficulties or doubts that may arise in this regard to implementation of this Resolution, issue and allotment of Convertible Warrants and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the Members of the Company to the intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution”

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

Sd/-
Place: Secunderabad
Date: 13.08.2018

S Nagarajan
Company Secretary

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

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument of Proxy in order to be effective shall be deposited at the Registered Office of the Company by not less than 48 hours before the commencement of the Meeting.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 22.09.2018 to 28.09.2018 (Both days inclusive).
4. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
6. Corporate Members are requested to send to the Company's Registrar & Transfer Agent,

a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.

7. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
8. The dividend as recommended by the Board of Directors, if declared at the Annual General Meeting will be paid within a period of 30 days to those members whose name appear as:
 - a) Beneficial Owners as on 21st September, 2018 on the lists of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited; and
 - b) Members in the Register of Members of the Company after giving effect to valid share transfer in the physical form lodged with the Company on or before 21st September, 2018.
9. Members holding shares in electronic form may note that bank particulars registered against their respective registered accounts will be used by the Company for the payment of dividend. The Company or its Registrar and Share Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
10. Recent circular requires submission of Aadhar/ PAN number by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit Aadhar card/ PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their Aadhar card/PAN details to the Company/ Registrar and Share Transfer Agents (Aarthi Consultants Pvt Limited)
11. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.

12. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to Aarthi Consultants Pvt Limited., Share Transfer Agents of the Company for consolidation into a single folio
13. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
14. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission / transposition, Demat/Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
15. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the Company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
16. Electronic copy of the Annual Report for 2017-2018 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2017-2018 is

being sent in the permitted mode.

17. Members may also note that the Notice of the 28th Annual General Meeting and the Annual Report for 2017-2018 will also be available on the Company's website www.vijaytextiles.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: info@vijaytextiles.in.

.Voting through Electronic Means (E-Voting Facility)

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the rules there under and Regulation 44 of SEBI LODR Regulations, the Company is offering e-voting facility to its Members in respect of the business to be transacted at the 28th Annual General Meeting scheduled to be held on Friday, the 28th day of September, 2018 J.S.Krishan Murthy Hall, The Federation of Telangana and Andhra Pradesh Chamber of Commerce & Industry, The Federation House, 11-9-84, Red Hills, Hyderabad- 500 004, Telangana.

The Company has engaged the services of Central Depository Services (India) Limited. ("CDSL") as the Authorized Agency to provide e-voting facilities. The e-voting particulars are set out below:

EVENT (e-voting event number)	USER ID	PASSWORD/ PIN

The e-voting facility will be available during the following voting period:

Commencement of e-voting: From 25.09.2018 at 9. 00 A.M.

End of e-voting: Up to 27.09.2018 at 5. 00 P.M.

The cut-off date (i.e. the record date) for the purpose of e-voting is 21.09.2018

Please read the procedure and instructions for e-voting given below before exercising the vote.

NOTICE (CONTD.)



TEXTILES LIMITED

This communication forms an integral part of the Notice dated 13.08.2018 for the AGM scheduled to be held on 28.09.2018 which is enclosed herewith and is also made available on the website of the Company www.vijaytextiles.in. Attention is invited to the statement on the accompanying Notice that the Company is pleased to provide e-voting facility through CDSL for all shareholders of the Company to enable them to cast their votes electronically on the Resolution mentioned in the Notice of the 28th Annual General Meeting of the Company dated 13.08.2018

Procedure and instructions for e-voting

- (i) The E-voting period begins on 25.09.2018 (9.00 A.M) and ends on 27.09.2018 September, 2018 (5.00 P.M). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21.09.2018 of may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none">If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).