

20th Annual Report 2009-10



Vijay TEXTILES LIMITED

TEXTILES

INFRASTRUCTURE PROJECTS



Our Upcoming Tech-Park Project at Hi-tec City, Hyderabad

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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

K. Bhupal Reddy

Sanjeev Kumar Agarwal

(From 7th August, 2010)

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

Factory:

Survey No: 139 to 141 & 143

Village Rajapoor, Mandal: Balanagar,

District: Mahaboobnagar

Andhra Pradesh

Wholesale Depot:

Plot No: 46, Road: 12

APIIC, Katedan,

Hyderabad - 500077

Retail Show Rooms:

1. Surya Towers,
Ground Floor,
104, Sardar Patel Road
Secunderabad - 500003
2. 6-3-852/3,
Near Lal Bungalow,
Ameerpet,
Hyderabad - 500016
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.
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 Twentieth Annual General Meeting of the Members of **VIJAY TEXTILES LIMITED** will be held on Saturday, the 25th September, 2010 at 11.00 A.M. at Surana Udyog Auditorium, The Federation of A P 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, 2010 and the Profit & Loss Account for the year ended 31st March, 2010 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, 2010.
3. To appoint a Director in the place of Shri K. Srinivas 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, with or without modifications(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 Sanjeev Kumar Agarwal, 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".

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

"RESOLVED THAT pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the Memorandum and Articles of Association of the Company and the subsisting guidelines/regulations prescribed by the Government of India/Reserve Bank of India (RBI)/Securities and Exchange Board of India (SEBI) or any other relevant authority, to the extent applicable and subject to such approvals, consents, permissions and sanctions, as may be stipulated by any of them while granting such approvals, consents, permissions and sanctions, consent of the members, be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) to issue, offer and allot not exceeding 50,00,000 (Fifty Lakhs Only) warrants on preferential basis, Convertible into 50,00,000 (Fifty Lakhs Only) Equity Shares of the Company of the face value of Rs. 1/- each, for cash which shall upon conversion rank pari passu with the existing equity shares of the Company, to Promoters, in one or more tranches, in such form and manner and upon such terms and conditions as the Board may in its absolute discretion deem fit, at a price not exceeding Rs.5/- (Rupees Five only) subject to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 or such other regulations as may be applicable in this behalf and the relevant date for calculating the SEBI price being 26th August 2010".

RESOLVED FURTHER THAT each warrant be convertible into one equity share within a period

of 18 months from the date of its allotment and on such other terms and conditions, subject to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 or such other regulations as may be applicable from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to take all such actions and to give all such directions as may be necessary or desired and to accept any modifications in the above proposal as may be required by the authorities involved and also settle any questions or difficulties that may arise in respect of offer, issue and allotment of warrants/equity shares and further to do all such acts and execute such deeds and documents and writing in connection with the issue of warrants/equity shares, as may be necessary".

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

Place : Secunderabad
Date : 7th August, 2010

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 share 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 21st September, 2010 to 25th September, 2010 (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 21st September, 2010 to those Members whose names shall appear on the Company's Register of Members on 20th September, 2010 . In respect of Shares in

Notice (Contd.)



TEXTILES LIMITED

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 20th September, 2010.

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.

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 Shares 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 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 : 7th August, 2010
Registered Office :
Surya Towers, Ground Floor
104, Sardar Patel Road
Secunderabad - 500 003

S Nagarajan
Company Secretary

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

The Board of Directors of the Company has appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956 and Articles 94 of the Articles of Association of the Company, Shri Sanjeev Kumar Agarwal, as an Additional Director of the Company with effect from 7th August, 2010.

In terms of the provisions of Section 260 of the Act, Shri Sanjeev Kumar Agarwal, shall hold office up to the date to this Annual General Meeting. The Company has received notice from a member along with deposit of Rs.500/- as required by Section 257 of the Companies Act, 1956 signifying his intention to propose Shri Sanjeev Kumar Agarwal as a Director. According to Article 94 of the Articles of Association of the Company the Director shall be liable to retire by rotation.

Shri Sanjeev Kumar Agarwal, aged 39 years is an entrepreneur by profession and is actively engaged in pursuing his Software Training and Development business while being associated with Orbit IT Consulting Private Limited at Hyderabad. Prior to this he has been actively perusing family business of Cotton Ginning and Trading business where he has gained rich and varied experience; he continues to pursue this business with the present line of activity.

Our company will gain immensely from his long and varied and experience in diversified fields. He will be able to provide valuable guidance in business development and marketing segments alike by contributing his mite.

Save and except Shri Sanjeev Kumar Agarwal, none of other Directors of the Company is, in any way, concerned or interested in the resolution.

Your Directors' recommended the resolution for approval.

Item No: 6

Your Company is proposing to offer and issue not exceeding 50,00,000 warrants and each warrant convertible into one equity share of Re.1/- each fully paid, to the Promoters.

As per Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 the required details are furnished as under:

1. Object of the Issue

To augment the long term resources of the Company, raise funds for general corporate purposes including long term working capital requirements, your Board proposes to issue warrants, convertible into equity shares to the Promoters at a price not less than the average price calculated as per the SEBI Regulations.

2. Pricing

The issue of warrants on preferential basis shall be at a price not exceeding Rs.5/- (Rupees Five only) to the Promoters, subject to the SEBI Regulations (as may be applicable) in this behalf.

3. Payment & conversion terms

25% of the value of the Warrants will be paid together with application. The balance is payable at the time of conversion. In case the option is not exercised within a period of 18 months, the application money will be forfeited by the Company.

The warrants are converted at the option of the allottees on payment of the balance at any time during the period of 18 months.

4. Intention of Promoters / Directors / Key Management persons to subscribe to the offer

The Promoters, Directors and Key Management Persons are planning to subscribe to the issue of 50,00,000 warrants to the full extent.

5. Relevant Date

"Relevant Date" for this purpose is the date 30 days prior to the date of this Meeting of the Members of the Company, ie. 26th August, 2010.

6. Shareholding Pattern of the Company before and after the issue

The pattern of shareholding before and the one likely to emerge after the proposed allotment of conversion of warrants would be as under:

Category	Before the Issue		After the Issue	
	No. of Share	% of holding	No. of Share	% of holding
Promoter Group	5,22,78,971	45.46	5,72,78,971	47.73
NRI/OCBs	4,58,059	0.40	4,58,059	0.38
Mutual Funds and UTI	—	—	—	—
Banks, Financial Institutions and Insurance Companies	1,50,00,000	13.04	1,50,00,000	12.50
Private Bodies Corporate	88,52,154	7.70	88,52,154	7.38
FIs	—	—	—	—
Others Clearing Members	18,118	0.02	18,118	0.02
General Public	3,56,92,698	31.04	3,56,92,698	29.74
Directors/Relatives/Associates (independent or not in control of the Company)	27,00,000	2.34	27,00,000	2.25
Total	11,50,00,000	100.00	12,00,00,000	100.00

After the allotment of warrants under Preferential Issue, the Promoters and associates holding will be increased to 49.98%.

7. Proposed time within which the allotment shall be complete

Allotment shall be completed within a period of period of fifteen days from the date of receipt of all the necessary regulatory approvals as per the SEBI Regulations.

8. The identity of the proposed allottees and the percentage of the preferential issue that may be held by them

Name of the party	Category	Pre Issue holding	% to Equity	Post Issue holding	% to Equity
Shri Vijay Kumar Gupta	Promoter & Director	2,93,66,674	25.54	3,43,66,674	28.64

9. Auditors' Certificate

A certificate, as required under SEBI Regulations, certifying that the proposed issue in accordance with the said Regulations has been obtained from the Auditors of the Company.

10. Lock-in

The Fully Convertible Warrants and equity shares to be allotted on preferential basis shall be subject to lock-in as per applicable SEBI Regulations in this behalf.

11. Change in Management

The issue of Convertible Warrants as aforesaid will not result in any change in the Management or Control of the Company. However, there will be a corresponding change in the shareholding pattern as well as the voting rights consequent to preferential allotment.

The Company is taking necessary steps to obtain the requisite approvals from Regulatory Agencies, as may be applicable, for the proposed investment.

As per the Listing Agreement entered into by the Company with various stock exchanges where the Company's equity shares are listed and the provisions of Section 81 (1A) of the Companies Act, 1956, provide inter alia that allotment of further shares, such shares shall be

first offered to the existing shareholders of the Company for subscription in proportion to their shareholding, unless the shareholder decide otherwise in a general meeting by a Special Resolution. As it is proposed to issue the shares to other than the existing shareholders of the Company, the above Resolutions are required to be passed. Hence, your Directors recommend the Resolutions for your approval.

None of the Directors of the Company is concerned or interested in the proposed resolution except to the extent of his/her holding of equity shares and to the extent of his/her subscribing to the fully convertible warrants

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

Place : Secunderabad
Date : 7th August, 2010

S Nagarajan
Company Secretary

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