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BOARD OF DIRECTORS



TEXTILES LIMITED

Vijay Kumar Gupta : Chairman and Managing Director

Susheel Kumar Gupta : Executive Director

R.Malhotra : Finance Director
(From 1st April, 2012)

M. Srikanth Reddy

K. Bhupal Reddy

Sanjeev Kumar Agarwal

Company Secretary

S. Nagarajan

Statutory Auditors

M/s. Laxminiwas Neeth & Co,
Chartered Accountants,
402, 4th Floor, Moghul's Court,
Basheer Bagh,
HYDERABAD - 500 001.

Internal Auditors

M/s. Sankaran & Krishnan,
Chartered Accountants,
3-6-203, Himayatnagar,
HYDERABAD - 500 029.

Bankers

State Bank of India

Industrial Finance Branch,
Somajiguda,
HYDERABAD - 500 082.

Axis Bank Limited

Begumpet,
HYDERABAD - 500 016.

State Bank of Hyderabad

Industrial Finance Branch,
"Topaz", Amrutha Hills, Punjagutta,
HYDERABAD - 500 082.

Registrars & 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.

Factory:

Survey No: 139 to 141 & 143,
Village Rajapoor, Mandal: Balanagar,
District: Mahaboobnagar,
Andhra Pradesh-509 202.

Wholesale Depot:

Plot No: 46, Road: 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/I,
Kothapet, Dilsukhnagar,
Hyderabad - 500 060.
5. D. No. 19-94/I, Survey No: 466,
Housing Colony, A.S.Rao Nagar,
Secunderabad - 500 062.

NOTICE



TEXTILES LIMITED

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of **VIJAY TEXTILES LIMITED** will be held on **Thursday, the 27th September, 2012 at 11.00 A.M** at Surana Udyog Auditorium, The 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 2012 and the Statement of Profit & Loss Account for the year ended 31st March 2012 along with the Auditors' Report and Director's Report thereon.
2. To appoint a Director in the place of Shri Sanjeev Kumar Agarwal, who retires by rotation and being eligible offers himself for re-appointment.
3. To consider re-appointment of M/s.Laxminiwas Neeth & Co, 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:

4. 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 provisions of Section 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 and pursuant to the approval of the Managerial Remuneration Committee and the Board of Directors at their respective meetings, the consent of the Company be and is hereby accorded to appoint Shri R.Malhotra, as Finance Director on the Board of the Company with a remuneration of ₹ 1,25,000/- per month inclusive of all perquisites initially for a period of five years with effect from 1st April,2012 to 31st March,2017".

"RESOLVED FURTHER THAT in the event of the losses or inadequacy of profits during the period the Finance Director is entitled to the aforesaid remuneration inclusive of perquisites as minimum remuneration".

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

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

Place : Secunderabad
Date : 29th May, 2012

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. The Company has already notified Closure of the Register of Members and Transfer Books from 22nd September, 2012 to 27th September, 2012 (both days inclusive) for the purpose of Annual General Meeting.
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, 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.
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.

Notice (Contd.)



TEXTILES LIMITED

- 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 : 29th May, 2012

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: 4

Shri R .Malhotra has been appointed as whole time director of the company at the Board meeting held on 24th March 2012 and designated as Finance Director. R Malhotra carries behind him a varied experience of 38 years comprising of 21 years of service in Public Sector Bank and 17 years in Private Sector. He has been associated with the company since April 2003.

Shri R. Malhotra graduated in Science from Punjab University Chandigarh and has Postgraduate qualifications in Computers (NITIE -Mumbai) and Banking (IIB - Mumbai). He is a Certificated Associate (CAIIB) of Indian Institute of Bankers, Mumbai and a life member of this esteemed institute. He has undergone Advanced Management Program at Bankers Training College of Reserve Bank of India at Mumbai and Advanced Credit Management Program of Northern India Bankers Staff Training College, New Delhi as a part of his professional qualifications. He served in the Senior Management Cadre of the public sector bank before switching over to private sector.

Shri R.Malhotra has served for 21 years in various capacities in the public sector bank handling important portfolios in Branch Management and Credit

Management and as incumbent of large, very large branches and exceptionally large branch. He has served the private sector for 17 years so far; whereas Finance Director of a Confectionary Conglomerate he was associated for over seven years before joining our company in April 2003. He brings with him core experience in Banking and Finance to the company as its Finance Director.

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

Your Director's recommended the resolution for approval.

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

Place : Secunderabad
Date : 29th May, 2012

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 22nd Annual Report and the Audited Statement of Accounts of the Company for the Financial Year ended 31st March 2012.

I. FINANCIAL RESULTS

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

(₹ in Lakhs)

Particulars	2011-2012	2010-2011
Total Revenue from operations	10073.63	13,185.26
Profit before tax	108.16	925.59
Less: Taxation		
a. Income Tax - Earlier Years	0.04	(16.69)
b. Provision for Taxation - Current Year	21.64	202.36
c. Deferred Tax	35.03	69.44
Profit After Tax	51.45	670.48
Add: Profit brought forward from last year	610.70	573.88
Total available for appropriations	662.15	1244.36
Proposed Dividend	-	115.00
Corporate Tax on Dividend	-	18.66
Transfer to General Reserves	25.00	500.00
Balance carried forward to Balance Sheet	637.15	610.70

2. OPERATIONS

The sales and other income for the year were ₹ 10073.63 Lakhs and net profit of ₹ 51.45 Lakhs as compared to ₹ 13185.26 Lakhs of sales and other income and net profit of ₹ 670.48 Lakhs achieved in the last financial year respectively.

Major reasons that attributed to lower turnover and profitability of your company during the year review are:

- State witnessed umpteen numbers of bandhs called by political parties due to different reasons resulting in closure of business activity.
- Government resorted to power holidays up to three times a week for the industry in the state of Andhra Pradesh, which was a great dampener on the working of industrial units, thus leaving a telling effect on the performance of your company as well.
- Imposition of VAT on textiles and sugar during the financial year 2011-12, due to which related trade and industry called for repeated bandhs; it further dented performance of your company to a great extent.

Your Company has achieved lower turnover, which has a direct impact on the profitability as well. Other factors, which affected the profitability during the year are:

- a) Your company had to bear the brunt of hardening of interest rates, which were revised, upwards by banks at different intervals to the extent of 2.5 to 3.00 % during the FY.
- b) Effect of Depreciation and Amortization of expenses, which increased during the year due to increase in the value of fixed assets.
- c) Effect of provisioning for taxation made under MAT, which was to the extent of ₹ 21.64 Lakhs.
- d) Due to continuous power holiday schedule on week-to-week basis the company had piled up inventory levels due to which production suffered a lot. Moreover the inventory levels went up blocking considerable working capital of the company in the process. Overall it had a tremendous cascading effect on the production levels during the whole of the financial year causing loss of income directly.

3. COMMISSIONING OF PHASE III OF EMBROIDERY FACILITY

Buoyed by success of its first embroidery venture for in house embroidery on its products, and the expansion undertaken in the phase II of the unit, the Company has already received the shipment of 21 new fully automatic embroidery machines from Japan under its expansion program in Phase III thus taking the tally of its machines to 40. Phase III of the Embroidery Unit is now under implementation and shall become operational from April 2012. The company shall immensely benefit from augmentation of capacity of this segment to enable it to go for increased output. Demand for embroidered fabric is on the increase as machine embroidered products are having more consumer acceptability and mass appeal.

4. TECH-PARK PROJECT

Your company has decided to go in for disinvestment made in Multi - Storied IT Park (Tech-Park Project) and has since obtained the approval of the Shareholders through postal ballot the results of which were published on 24 August 2011. In line with the decision to go for disinvestment made in the Multi-Storied IT Park (Tech-Park Project) the company has started identifying the prospective buyers for sale of the property.

5. PREFERENTIAL ISSUE

Members are aware that the Company has obtained the approval of members for issue of 50,00,000 Non-Convertible Cumulative Redeemable Preference Shares of ₹100/- each to Promoters at the Extraordinary General Meeting held on 8th February, 2012.

The Board, at its meeting held on 24th March, 2012 has allotted 50,00,000 10% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 100/- each to Shri Vijay Kumar Gupta .

6. TRANSFER OF AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205A(5) of the Companies Act 1956 an amount of ₹ 71,806.80 for the year 2004-2005 which remained unpaid or unclaimed for a period of 7 years has been transferred by the Company to the Investors Education and Protection Fund.

7. RESERVES

During the year your Company has transferred an amount of ₹ 25.00 Lakhs to General Reserves Account.

8. FIXED DEPOSITS

Your Company has not accepted or invited any Deposits and consequently no Deposits have matured/ become due for re-payment as on 31st March 2012.

9. DIRECTORS

Pursuant to the provisions of the Companies Act, 1956 and Articles of Association of the Company, Shri Sanjeev Kumar Agarwal retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The brief particulars of the Directors seeking appointed/re-appointed at the ensuing Annual General Meeting, is being annexed to the Annual Report.

10. AUDITORS

The Auditors, M/s.Laxminiwas Neeth & Co, Chartered Accountants, Statutory Auditors, retire at the forthcoming Annual General Meeting and are eligible for re-appointment.

11. COST AUDITORS

The cost accounts records maintained by the Company for the products manufactured are subject to yearly audit by the qualified Cost Auditors. Your Company has appointed Shri. A.V.N.S. Nageswara Rao, a qualified Cost Auditors for conducting the audit of Cost Account records for financial year 2011-2012.

12. ENVIRONMENTS AND HUMAN RESOURCE DEVELOPMENT

Your Company always believes in keeping the environment pollution free and is fully committed to its social responsibility. The Company has been taking utmost care in complying with all pollution control measures from time to time strictly as per the directions of the government. In particular, your Company has laid special emphasis on this aspect at its manufacturing facility at Rajapoor commissioned in 2007 as explained in this report above.

We would like to place on record our appreciation for the efforts made by the Management and the keen interest taken by the Employees of your Company in this regard.

13. CORPORATE GOVERNANCE

Your Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance enunciated in Clause 49 of the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance is annexed herewith, forming part of the Annual Report along with the Auditors' Certificate on its compliance. The Company shares are listed at Bombay Stock Exchange Limited and Madras Stock Exchange Limited.

14. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

Management Discussion and Analysis Report, pursuant to Clause 49 of the Listing Agreement, forms part of this Report and is annexed hereto.

15. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217(2 AA) of the Companies Act, 1956 and on the basis of explanation given by the executives of the Company and subject to disclosures in the Annual Accounts and also on the basis of discussions with the Statutory Auditors of the Company from time to time, we state as under:

- i. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- ii. That the Directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. That the Directors had prepared the annual accounts on a going concern basis;

16. STATUTORY INFORMATION**A. Particulars of Employees:**

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended the names and other particulars of the employees are given in Annexure (2) to the Director's Report.

B. Conservation of Energy, Foreign Exchange etc.

Information on Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required to be disclosed under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are provided in a separate statement attached hereto and forming part of this report.

17. INFORMATION UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

This information as required to be disclosed has been determined to the extent such parties have been identified on the basis of information available with the Company as stated under Note 7 on notes forming part of the Balance Sheet.

18. EMPLOYEE RELATIONS

Your Directors are pleased to record the appreciation for the sincere and dedicated services of the employees and workmen at all levels.

19. ACKNOWLEDGEMENTS

The Directors wish to acknowledge and record their appreciation of the continued support and assistance received by your Company from its Bankers viz. State Bank of India, State bank of Hyderabad and Axis Bank Limited and Officials of the concerned Departments of the State and Central Governments. The Directors also wish to thank all the employees for their contribution and continued support throughout the year and the Members for the confidence reposed by them in the Management.

For and on behalf of the Board

Place : Secunderabad
Date : 29th May, 2012

Vijay Kumar Gupta
Chairman & Managing Director