

26TH ANNUAL REPORT 2015 - 2016




vijay
TEXTILES LTD.

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Furnishings... Simply incredible!

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BOARD OF DIRECTORS



TEXTILES LIMITED

| | |
|-----------------------------------|---|
| Shri Vijay Kumar Gupta | : Chairman and Managing Director |
| Shri Susheel Kumar Gupta | : Executive Director |
| Shri R.Malhotra | : Finance Director and Chief Financial Officer |
| Shri M. Srikanth Reddy | : Independent Director |
| Shri Sanjeev Kumar Agarwal | : Independent Director (resigned w.e.f 28.07.2016) |
| Smt Kamini Gupta | : Independent Director |
| Smt CA Alka Zanwar | : Independent Director (appointed w.e.f 28.07.2016) |
| Shri CA Penmetsa Vikram | : Independent Director (appointed w.e.f 28.07.2016) |

Company Secretary

Shri S. Nagarajan

Statutory Auditors

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

Internal Auditors

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

Secretarial Auditor

CS. Ajay Kishen
Company Secretary
2nd Floor, Kishen's Residency
H.No:4-I-1239/3 & 4, King Koti
Hyderabad - 500 001

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
Email :info@vijaytextiles.in
CIN: L18100TG1990PLC010973

Factory:

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

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, Survey No.127 &
130/I, Kothapet, Dilsukhnagar,
Hyderabad - 500060
5. D. No. 19-94/I, Survey No: 466,
Housing Colony, A.S.Rao Nagar,
Secunderabad - 500062

NOTICE OF THE 26TH ANNUAL GENERAL MEETING



TEXTILES LIMITED

NOTICE is hereby given that the 26th Annual General Meeting of the Members of **VIJAY TEXTILES LIMITED** will be held on Thursday, the **29th September, 2016 at 11.00 A.M.** at FTAPCCI Auditorium, 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 2016 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. Susheel Kumar Gupta (DIN: 00362714), who has been appointed as whole time Director and who retires by rotation and being eligible, offer himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution relating to ratification of appointment of Statutory Auditors of the Company:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other rules framed there under, as amended from time to time, the appointment of M/S Laxminiwas & Co., Chartered Accountants (Firm Registration No: FRN 011168S) as Auditors of the Company for a period of three consecutive years, made at the 24th Annual General Meeting (AGM), be and is hereby ratified for the period from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting at such remuneration as may be decided by the Board of Directors of the Company".

SPECIAL BUSINESS:

4. 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 197 read with Schedule V to the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Rules prescribed there under and subject to approval of the Central Government and such other permissions, sanctions and consents, if any, consent of the Members of the Company be and is hereby accorded to increase the remuneration of Shri. Vijay Kumar Gupta, (DIN:01050958) Chairman and Managing Director of the Company to ₹ 3,50,000/- (Rupees Three Lakhs and Fifty Thousand Only) per month inclusive of all allowances with effect from 01.04.2016 to 31.03.2019 (being the unexpired period of his tenure as Chairman and Managing Director)."

"RESOLVED FURTHER THAT, in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Shri. Vijay Kumar Gupta (DIN:01050958) the remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V of Companies Act, 2013, or such other limit as may be prescribed by the Government from time to time".

"RESOLVED FURTHER THAT, the Board be and is hereby authorized to approve the terms and conditions including any changes in remuneration and to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the resolution."

5. 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 Sections 196, 197, 203 and any other applicable provisions, if any, of the Companies Act 2013, read with Schedule V (as amended from time to time) the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to approval of the Central Government and such other permissions, sanctions, and consents, if any, consent of the Members of the Company be and is hereby accorded for re-appointment of Shri. Susheel Kumar Gupta (DIN 00362714) as the Executive Director for a period of Five years with effective from 1st April 2016 to 31st March 2021 at a remuneration of ₹ 3,50,000/- per month (Rupees Three Lakhs and Fifty Thousand Only) inclusive of all allowances".

"RESOLVED FURTHER THAT, in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Shri. Susheel Kumar Gupta the remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V of Companies Act, 2013, or such other limit as may be prescribed by the Government from time to time".

"RESOLVED FURTHER THAT, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the resolution and delegate to any Director or any officer of the Company for obtaining necessary permission and approvals, if any, in this connection from Government and / or any authorities".

6. 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 197 read with Schedule V to the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Rules prescribed there under and subject to approval of the Central Government and such other permissions, sanctions and consents, if any, consent of the Members of the Company be and is hereby accorded to increase the remuneration of Shri. R. Malhotra, (DIN:05242639) Finance Director of the Company to ₹ 1,60,000/- per month (Rupees One Lakh Sixty Thousand Only) inclusive of all allowances with effect from 1st April 2016 to 31st March 2017 (being the unexpired period of his tenure as Finance Director)".

"RESOLVED FURTHER THAT, in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Shri. R. Malhotra, (DIN:05242639) the remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V of Companies Act, 2013, or such other limit as may be prescribed by the Government from time to time".

"RESOLVED FURTHER THAT, the Board be and is hereby authorized to approve the terms and conditions including any changes in remuneration and to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the resolution."

7. 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 149, 152 of the Companies Act, 2013 and rules made there under, Mrs. CA Alka Zanwar (holding DIN 07577453), who was appointed as 'Additional Director' in the Board

of the Company on 28th July, 2016 pursuant to the provision of Section 161 (1) of the Companies Act, 2013 ("the Act") read with Articles of Association of the Company, and whose term of office expires at the ensuing Annual General Meeting of the Company, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mrs. CA Alka Zanwar as a candidate for the office of a Director of the Company who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years commencing from the date of his appointment as Additional Director i.e. 28th July, 2016 up to the conclusion of Annual General Meeting (AGM) to be held in the calendar year 2021 or 27th July, 2021, whichever is earlier".

8. 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 149, 152 of the Companies Act, 2013 and rules made there under, Shri. CA Penmetsa Vikram (holding DIN 07577396), who was appointed 'Additional Director' in the Board of the Company on 28th July, 2016 pursuant to the provision of Section 161 (1) of the Companies Act, 2013 ("the Act") read with Articles of Association of the Company, and whose term of office expires at the ensuing Annual General Meeting of the Company, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri. CA Penmetsa Vikram as a candidate for the office of a Director of the Company who meets the criteria of

Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years commencing from the date of his appointment as Additional Director i.e. 28th July, 2016 up to the conclusion of Annual General Meeting (AGM) to be held in the calendar year 2021 or 27th July, 2021, whichever is earlier".

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 provisions of Section 5 read with Section 14 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the new draft Articles as contained in the Articles of Association be and are hereby approved and adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution, be and are hereby severally authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

10. 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 ratifying the remuneration as set out in the explanatory statement payable to 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, 2017".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

11. 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, (including any statutory modification(s) or re-enactments thereof for the time being in force), Memorandum and Articles of Association of the Company, Listing Agreement entered into by the Company with Stock Exchange where the Company's shares are listed and in accordance with the provisions of the SEBI (Issue of Capital and Disclosures Requirements) Regulation 2009, 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 term 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) and subject to such, consents and approvals of SEBI, Stock Exchanges, Government of India, or such other bodies or authorities as may be required by law and as may

be necessary and subject to such conditions and modifications as may be imposed upon and accepted by the Board while granting such consents and approvals and which may be agreed to by or any other authorities as may be necessary for that purpose, 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 trenches to the Promoters and others up to 25,00,000 Equity shares of ₹ 10/- each in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the Securities & Exchange Board of India ("SEBI") ICDR (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 of the equity shares 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 pricing of the Equity Shares to be allotted will be in accordance with the SEBI (ICDR) Regulations with reference to the 'Relevant Date.' The "relevant date" for the purpose of pricing of equity share is considered thirty days prior to the date of this Annual General Meeting i.e., 30th August, 2016 as per provisions of Regulation 71 of Chapter VII of SEBI (ICDR) Regulation, 2009 for Preferential Issue on such further terms and conditions as may be approved by the Board of Directors. "

"RESOLVED FURTHER THAT the new 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 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 and any amendment thereto from time to time."

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

"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 equity shares 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."

"RESOLVED FURTHER THAT the Company does apply for listing of the new equity shares and does make an application to the Depositories for admission of the new 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 resolutions."

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

Place : Secunderabad
Date : 28.07.2016

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 himself 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.

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. 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. The Company has already notified Closure of the Register of Members and Transfer Books from Saturday, the 24th September, 2016 to Thursday, 29th September, 2016 (both days inclusive) for the purpose of Annual General Meeting.
7. 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.
8. Non-Resident Indian Members are requested to inform the Company's Registrars and Transfer Agents, M/s. Aarthi Consultants Private 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.
9. 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.

10. The Shares of the Company continue to be listed on the stock exchange at Bombay Stock Exchange Limited, the Company has paid up to date all the listing fees to the Bombay Stock Exchange Limited.
11. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Special Business to be transacted at the Meeting is annexed hereto.
12. INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies Management and Administration Rules 2014, the Company is pleased to provide its shareholders with facility to exercise their right to vote at the 26th Annual General Meeting (AGM) by electronic means and the Business may be transacted through e-voting services provided by Central Depository Services (India) Limited.

The Company has signed an Agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting to cast their vote electronically.

I. THE INSTRUCTIONS FOR MEMBERS FOR VOTING ELECTRONICALLY ARE AS UNDER:-

- (i) The voting period begins on 26th September, 2016 (9.00 A.M) and ends on 28th September, 2016 (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 23rd September, 2016 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
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. 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). |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <**VIJAY TEXTILES LIMITED**> on which you choose to vote.